What is Social Credit? Page (9)

Hebecourt Gold Rush Page (14)

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The Nation's Business

Buying Votes In Large Blocks

Mr. Bennett and Alberta Finances

U. S. Appropriates $10 Billions for Year's Spending

Some of the Things Alberta People Voted For

Corruption Wholesale

WITH what promises will the party leaders attempt to bribe the electorate? Before this election is over many grandiose schemes of public expenditure will be promised in an attempt to win votes.

In the 1930 election the two chief parties between them attempted to outbid each other in offering public expenditures as attractions. Canals, railways, highways, lending schemes, public buildings in great detail were planned and promised. In the aggregate the brand new spending schemes that were included in the party programmes at that time involved the expenditure of some $400,000,000.

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IN THIS election emphasis has been upon schemes for social and economic reconstruction in which the potential cost is more difficult to figure. But the old-time promises of pork barrel appropriations are beginning to make their appearance.

It is a crime to bribe an individual voter to obtain his vote. Shouldn't it also be a crime to attempt to bribe a whole electorate with promises of money?

Bribery at retail is offensive enough. Bribery at wholesale is much worse.

• • •

Shouldering the Burden

ALBERTA'S new premier is quoted in the newspapers as attributing a very curious point of view to Prime Minister Bennett. The view that Mr. Bennett is purported to hold is that the Dominion should come to Alberta's financial assistance because the new Alberta government should not be shouldered with the burdens left by the old administration.

But surely either Mr. Aberhart is misquoted or he is misquoting Mr. Bennett. Since when did it become a tenet of democratic government as practised in British countries, that a new government coming into power should not be "shouldered with the burdens left by the old administration"?

Mr. Aberhart and his followers sought power; they knew Alberta's financial condition and that did not deter them; in fact it merely encouraged them in their effort to take over the administration. Now they must take over and exactly where the previous government left off.

If they are to unshoulder any of the burdens left by the old government, then someone else must shoulder them. Why should the people of all Canada, who put neither the U.F.A. nor the Social Credit governments in power, have to shoulder the burdens?

It is not democracy nor responsible government when a new government asks the privilege of starting with a clean sheet. It is revolution and Alberta has not declared for revolution.

As a matter of fact Alberta is not bankrupt and its burdens are not beyond the capacity of the people of the province to meet. Social Credit may make them insupportable. It may bankrupt Alberta. That is for Mr. Aberhart, not for the old administration and not for Mr. Bennett, to decide.

There will be no general objection to Dominion aid for Alberta or any other province. Some fusion of the different branches of public credit is not to be avoided, in a deep depression. But Dominion aid should only be granted where there is assurance of sound financial administration. Is Mr. Aberhart ready to give such assurance?

• • •

A Billion Here; a Billion There

THE United States Congress, in the session just concluded, appropriated $10¼ billions for the administration to spend. That is equivalent to one dollar for every six seconds since the birth of Christ. It is as much as all Congresses appropriated between 1789 and 1882. Even at that no money was voted for more than the preliminary organization expenses of the Social Security plans that were approved.

Since Roosevelt came into power the number of federal employees has increased from 560,000 to 730,000. In Washington alone it takes 15,000,000 square feet of floor space to house federal employees. David Lawrence's United States News shows

(Continued on page 2, col. 3)

Crisis in Civic Finance Still Persists in Ontario And in Western Areas

More Defaults in Ontario May Develop Under Relief Policy

SEE NATIONAL IMPASSE

Refinancing Plans for Ontario Defaulters Deterred by Tangle Over Relief Costs

Despite improved civic tax collections and a measure of recovery in general business, a state of crisis still exists in Canadian municipal finance.

The problem of paying for unemployment relief disbursements is the crux of difficulties in municipal finance, especially in Ontario. If, as is possible, a greater portion of relief expenditures in Ontario is laid on municipalities, further defaults would not be unlikely, one unusually well-informed authority told The Financial Post this week.

Ontario municipalities have defaulted some $100 millions of bonds, the biggest investment conundrum in Canada. There is no official expectation that this situation can be cleared up in less than five years.

Western Difficulties

Another expert on municipal finance this week opinionated that Vancouver, Calgary, Regina and other western cities cannot be expected to carry on under their present burdens. Something, he said, must be done about the relief set-up. The load that has been placed on municipal taxpayers is more than they can bear, this authority stated. Leadership to tackle the problem, he said, is lacking.

Both these experienced officials, without intending to be alarmist, see a national financial impasse looming through the rocky and wreck-strewn channel of municipal insolvencies.

Ontario Refinancings

Despite the tangle in Ontario over who is to pay the costs of relief, it is still probable that plans for the refinancing of debenture debt of some defaulting municipalities will be made public this year.

In the case of four Windsor municipalities which have been merged into a greater city of Windsor, refinancing plans are expected soon. Provincial officials have been working on details through the Guaranty Trust Co. of Windsor for some months. Sufficient information is being collected to make refinancing possible.

Negotiations have also been progressing in connection with refinancing for suburban municipalities in the Toronto area. Government officials have been working on refunding plans through the Toronto General Trusts Corp. and the National Trust Co., Toronto. An important requisite to refinancing is availability of information. This is expected to be obtained for some major defaulters in the Toronto vicinity.

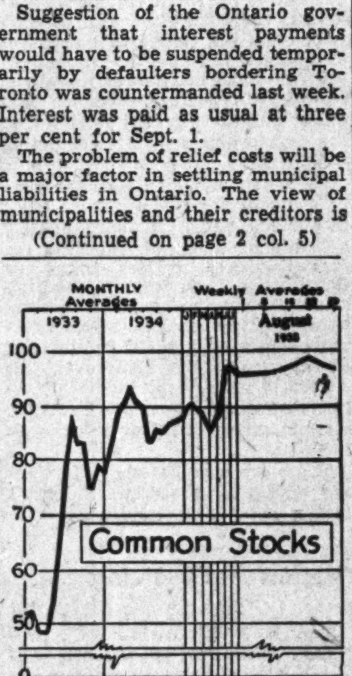
Uncertainty over the Ontario relief situation prevents culmination of refinancing schemes on a provincial scale which had been expected earlier this year. The most that can now be expected is debt adjustment for Windsor and Toronto district defaulters.

Ontario Relief Puzzle

Suggestion of the Ontario government that interest payments would have to be suspended temporarily by defaulters bordering Toronto was countermanded last week. Interest was paid as usual at three per cent for Sept. 1.

The problem of relief costs will be a major factor in settling municipal liabilities in Ontario. The view of municipalities and their creditors is

(Continued on page 2 col. 5)



Common stock prices closed soft in August, as shown by the Dominion Bureau index plotted above. Comparative indices appear on page 5.

Government Firm Thanksgiving Date

From Our Own Correspondent

OTTAWA.—Representations of transportation and other interests asking that the Government proclaim Thanksgiving Day on a Monday have been considered by the cabinet and will be firmly declined. This holiday has been set for Thursday, October 24, and the decision, it is learned officially, is irrevocable.

The Government agrees with the views expressed by various religious bodies throughout the country, that this holiday should be celebrated in a devotional and home sense. It is believed that the selection of a Thursday will ensure this result whereas if a Monday had been chosen the citizens of the country would have been encouraged to take trips and travel about.

ALTA. CABINET NO EXPERIENCE IN PARLIAMENT

Only a Sprinkling of Aberhart Supporters Ever Held Public Office

LEADERS SKETCHED

From Our Own Correspondent

EDMONTON.—Not one of the present members of the New Aberhart Cabinet has any previous experience of parliamentary affairs, and only two of them have held any public office to date. J. W. Hugill, K.C., attorney-general, was for a time an alderman on the Calgary city council and W. A. Fallow, public works, was mayor of Vermilion.

Without Experience

The members of the Social Credit party elected to the House almost all lack parliamentary experience. Only a few of them, aside from the two named above, have ever sat on any public board or body. Some, very few, have been on small municipal district councils, but with the

(Continued on page 2 col. 6)

SHARP DEBATE ON FIRE POLICY AT WINNIPEG

Manufacturers and Insurance Companies Differ as to Changes

From Our Own Correspondent

WINNIPEG.—Sharp conflict of opinion featured proposed changes in statutory fire policy conditions at the four-day conference of the Association of Superintendents of Insurance of the provinces of Canada, being held here this week.

Opening meetings were under the leadership of R. Leighton Foster, Ontario superintendent of insurance and secretary of the association. Mr. Foster, in the absence of the president, Ralph P. Hartley, of New Brunswick, presented a combination review of the year's work together with the presidential report.

Seek Common Ground

The meeting considered proposed amendments to the fire insurance statutory conditions, clause by clause, and after a three hour discussion, the chairman, Arthur Fisher, of Regina, undertook to meet a special committee representing the public and company interests to see if a common ground could be reached.

It is not anticipated that any amendments to the existing law will be recommended for enactment at this conference inasmuch as it is the general rule of the conference not to recommend any amendments to existing laws which have not been approved by two successive annual conferences.

E. K. Williams, K.C., represented the All-Canada Fire Insurance Federation, Hugh Macdonald, of Toronto the Canadian Manufacturers Association, and R. W. Mitchener, K.C., the Toronto Board of Trade.

The companies do not approve the proposed amendment of the C.M.A., and the latter disapprove of the company's suggestions.

Deny Ottawa Heresy Hunt for Income Tax Evasions

From Our Own Correspondent

OTTAWA.—Reports emanating from London, Ont., to the effect that the Income Tax Department has launched an investigation into the incomes of large taxpayers and that a nation-wide probe will be carried back possibly 20 years, are categorically denied by the responsible heads of the Income Tax Branch at Ottawa.

The reports, apparently, arose out of an investigation now being made into the Spencer estate at London.

Income tax officials state that there has been no change whatever in the method of collecting this tax. The branch is not widening its activities nor departing in the slightest degree from past administrative policies.

Investigations such as the one mentioned are frequently made, and have been for years the rule of the branch whenever there was reason to suppose they were necessary.

RAILWAY VIEW ON TRUCKING COMING SOON

Canadian Lines Lose $20 Millions to Trucks in Past Year

PLAN SUGGESTIONS

British Experience May be Used in New Plan to Coordinate Rail and Truck Facilities

The joint committee of Canadian railways, which has been studying the problem of co-ordination of rail and highway services, has completed extensive reports and will in the near future give consideration to the recommendations it is to make to the Canadian Pacific and the Canadian National Railways as to ways and means of meeting truck competition.

Details of these recommendations are not yet available, but it is expected they will incorporate many features of recent British practice in respect of rail and truck co-ordination.

Many Important Steps

Already some important steps have been taken over the term of the last few years including the pick-up and delivery service in Ontario, the installation of over-night fast freight service between Toronto and Montreal, and the operation of trucks on a limited number of routes.

Between Toronto and Montreal fast freight trains now make but a single stop en route. From this single point, freight is carried by trucks under contract to towns and cities within a radius of 50 to 100 miles. One of the effects of the advances made in rapid freight service is to interfere to some extent with express revenues, but this is regarded as inevitable and in part the facilities of the express organization can be utilized to handle fast freight.

Lose $20 Millions Revenue

Very important facts have come to light as the railways have pursued comprehensive investigations of the extent of truck competition in their field. It is estimated that in 1934 trucks took from the railways $20 millions of revenue which they would otherwise have enjoyed. It will be recalled that the Duff Royal Commission on railways estimated in 1931 the railway losses in this regard at $13 million. In three years, it will be seen, the loss has continued to mount and has increased by 50 per cent. A substantial portion of the loss was to public commercial vehicles and the balance to trucks operated privately.

A comprehensive study of the situation in Ontario has shown that the loss there on merchandise between 1927 and 1934 was 750,000 tons per annum, which may be said to have a freight rate value of about $8 a ton.

Larger Trucks in Use

Studies of the public commercial vehicles in operation indicate that the trend is again to larger trucks and trailers. This indicates that highway transport now is utilized for much heavier merchandise than a few years ago.

Many proposals made to the railways for the solution of their problem are regarded by them as impracticable. The chief problem is the fact that truck operation is subject to very limited regulation, and to no regulation at all as regards rates. The result is that many operators continue to carry freight at less than cost of operation. For the railways to make large investments in trucks and to charge rates, which would show them a substantial loss, is not regarded now as the solution to the problem of the loss of freight revenues.

The railways have made a most careful study of all trucks in operation in Ontario, where they operate and what they carry and how much they carry. Maps indicating routes on different highways have been studied. While the railways cannot be said to have solved their problems they at least can honestly claim to have a better understanding of them than they have ever had before.

SEE LITTLE HOPE U. S. TRADE PACT BEFORE ELECTION

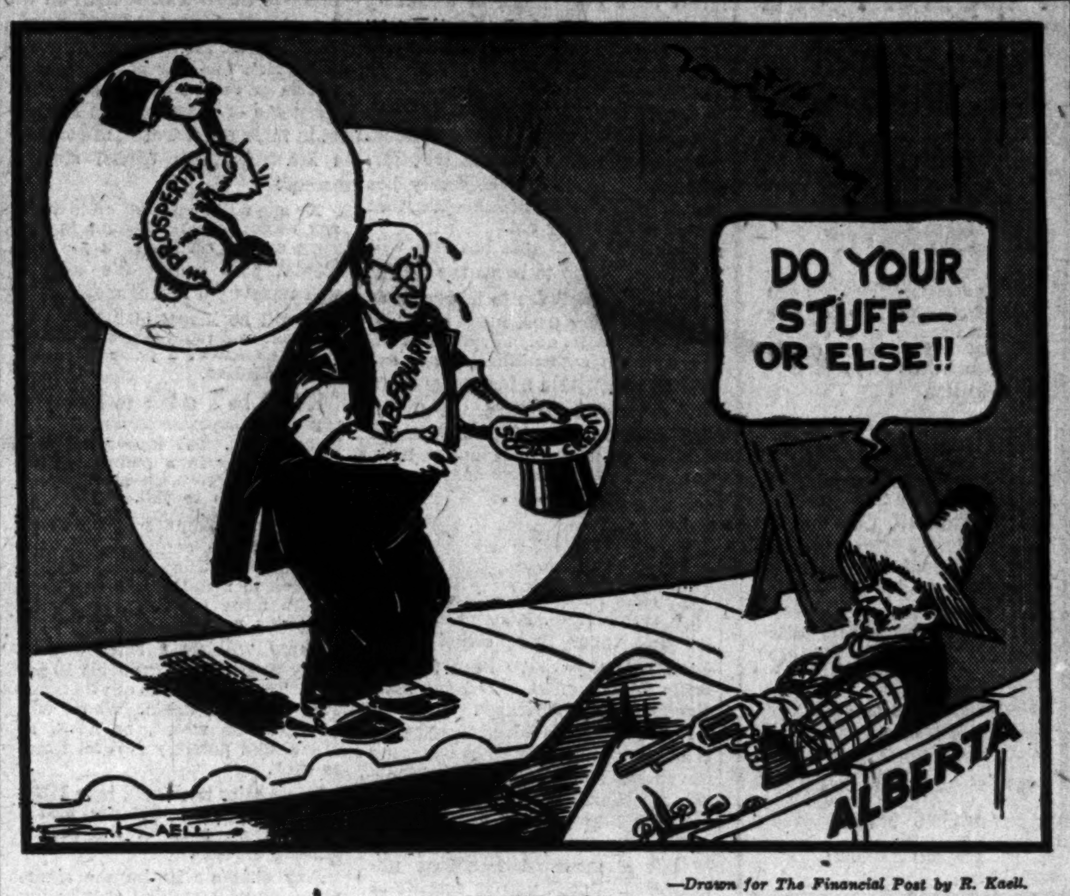
Believe Canada Can Give Advantages Despite Ottawa Agreements

From Our Own Correspondent

OTTAWA.—While the direct negotiations at Washington between the trade experts of Canada and the United States are believed to have removed serious obstacles to final agreement, the official attitude at Ottawa, it is learned, is not unduly optimistic.

The government, it is said, feels that rapid progress is being made but that it is very doubtful if a trade agreement can be arrived at in advance of the general election. It looks as if it would require more than six weeks to complete the deal.

Chief progress made to date, it is said, is that United States experts have been shown that Canada can give adequate trade advantages to the United States without any impairment of the Ottawa treaties.



ON THE SPOT

—Drawn for The Financial Post by R. Kaell.

DOM. WOOLLENS TO SHOW LOSS IN NEW REPORT

Interest Not Earned, So Won't be Paid Oct. 1

DUE TO WOOL PRICES

Annual report of Dominion Woollens & Worsteds Ltd., for the year ended June 30, 1935, will show a net loss after all charges, but before allowing for bond interest, The Financial Post is informed. The report will be issued within two weeks, according to present expectations.

The company was reorganized this year and income bonds were issued upon which interest is payable, but only if earned, on Oct. 1, 1935. No payment will be made on the bonds next month, it is understood.

While the company's business is now understood to be increasing, the possible beneficial effects of this will not be reflected in the annual report. Whether it will result in improved earnings for the 1935-36 year is uncertain. A great deal will depend on fluctuations in the price of wool, the company's chief raw material.

Volume Better, Wool Down

Chief cause of the loss that will be shown in the report was the downward trend of wool prices which prevailed until recently. Early this year the company had substantial business in sight. It was anticipated that if the price of wool was steady some improvement in the experience of the latter months of 1934 might be experienced. Since that time, however, wool prices have been unsteady, inclined to softness. The result is that although the company's volume was satisfactory, earnings were not.

Adverse results for the 1934-35 fiscal year are reflected in the price for units of bonds and preferred shares issued under the reorganization which was approved by bondholders and shareholders March 27, 1935. A unit of one $500 bond and 30 shares of preferred stock, of $20 each, is currently quoted at a value of about $300. Such a unit represents the securities given in exchange, under this year's reorganization, for each former $1,000 bond.

1934 Report Bad Guide

Earnings in the year ended June 30, 1934, amounted to $241,786, more than sufficient to cover depreciation and to meet all interest on the $2,117,000 of first mortgage bonds then outstanding. Within a few months of the year's close, it was announced that the wool situation had deteriorated so that interest could not be paid Dec. 1, 1934. This was repeated in the earlier part of 1935.

This year's reorganization wrote down bonds to $1,058,500. The new issue carries a six per cent rate, but interest for 1935, 1936 and 1937 is non-cumulative and is payable only if earned. Former bondholders were given $500 of new bonds for each $1,000 of the old bonds held. Also, bondholders were given 30 new preferred shares of $20 each for every former $1,000 of bonds held. The six per cent dividend on these shares is non-cumulative.

Reorganized in 1932

The 1935 reorganization is the second for the company during the depression. In 1932 bond interest was deferred, sinking fund amended and preferred shares were converted into common. Four of the present common shares were given to each former preferred shareholder by the 1932 reorganization.

The company is the major manufacturer of woollen cloths in Canada. Its plants are all in Ontario. Its chief problem during the depression has been that prices for its finished products have declined with the price of wool. Since there is a lag between the time of purchase of wool and sale of finished cloth, losses have been suffered on goods in process and on inventories.

Highlights

Social Credit

William Aberhart's scheme for free dividends to Albertans is weird or wonderful depending on your views. What his plan is. How it differs from theories of Douglas, inventor of "social credit." Page 9

See also "The Nation's Business" column. Page 2

Early New Cars

Automobiles for 1936 will appear two months earlier than usual. Plans for new cars and the National Motor Show. Page 9

Utilities Beclouded

Improvement in the position of public utilities is obscured by the threat of repudiation by Ontario's Hydro. This year's developments outlined for the investor. Page 3

Politics and Bonds

Volatile South American politics cause apprehension of investors about their already depreciated bonds. An object lesson for lenders to governments. Page 6

London Views

The Post's special London correspondent tells of old country doings that interest Canada. Some of his subjects are: Emigration, the Prince of Wales, politics, Lawrence of Arabia. Page 8

Newest Gold Rush

Science and a misplaced log have given the mining world the new Hebecourt goldfields. Latest news from the first man to make a strike. Page 14

Mines for Investors

Analyses of listed mining stocks form a new Post investment series. Terse comments on stocks from A to Z. Page 15

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INCO TO PUSH COPPER SALES BY RESEARCH

Will Build Modern Laboratory at Sudbury Plant

LINK IN CHAIN

With one of the objectives being the development of new uses for copper, International Nickel Co. of Canada announces that a research laboratory will be built at Copper Cliff, scene of the company's mining operations near Sudbury, Ontario. This will be similar to the company's laboratories in Bayonne, New Jersey, and the plant now under construction at Birmingham, England.

The statement indicates a new departure on the part of the company in that it will now, through research and development, promote the use of copper in the same manner as it has dealt with the development of the industrial uses of nickel during the past ten years.

Official Announcement

The official announcement, which came from the office of Donald MacAskill, general manager of the company, reads as follows:

"The International Nickel Co. of Canada is about to erect a chemical and research laboratory at Copper Cliff, Ontario. This will add another link to the chain of research and development facilities which have been such a prominent factor in the company's progress.

"The laboratory will be similar in many respects to the laboratory in Bayonne, New Jersey, and to the laboratory now being constructed in Birmingham, England, and will be the most modern and fully equipped in Canada.

"It will deal with projects leading to improvements in the processes for refining nickel and copper, and furthermore particular emphasis will be directed toward the development of new uses for copper along the same lines which the company has successfully employed in increasing the commercial uses of nickel."

The stress placed on copper follows closely the statement made in the last quarterly report to the effect that the company now wholly owns the Ontario Refining Co., in Copper Cliff, built in 1930, to refine, electrolytically, the entire copper output of the company's mines.

Copper as By-product

The announcement also recalls the reference made by Robert Stanley, president, while addressing shareholders at the last annual meeting, to the world copper market, which, he said, was becoming increasingly more important to the company. He was speaking of plans made by world copper producers, to curtail production of copper.

"I am inclined to think that this industry as a whole," stated Mr. Stanley at that time, "and all of its constituent companies as well, might intensify sales development and research activities, and inaugurate aggressive merchandising, as possibly a slower but surer cure for the ills of overproduction."

Almost Half Copper

During times when the world price for copper was at the lowest market in years, International Nickel Co. has been steadily producing large quantities of this metal as more or less a by-product of the nickel output. During 1934, the company treated a total of 2,684,126 tons of ore. From this immense tonnage, 66,377 tons of nickel were produced, and 50,516 tons of copper. It is generally understood that the company has no important surplus of copper, despite the fact that so much of it is produced in conjunction with nickel. The sales figures released by the company with the annual report indicate that in 1934 around 97,435 tons of copper were sold, a figure considerably in excess of total production for the year.

C.W. LINDSAY LOOKS AHEAD BETTER TIMES

Sales for First Half of Year Hold Promise of Lower Losses

REDUCE BONDED DEBT

Liquid Resources Are Well Maintained — Inventories Low — Collections Are on Good Scale

From Our Own Correspondent

MONTREAL.—Sales of C. W. Lindsay & Co., one of the principal distributors of musical instruments and electrical appliances in Quebec and Eastern Ontario, have been on a better scale this year, while further substantial reductions have been made in the company's funded debt and number of preferred shares outstanding.

At the annual meeting of shareholders toward the end of last May, the president stated that a moderate improvement had taken place in sales since the close of the fiscal year on February 28. He did not see any immediate prospect at the time of a very great increase, but was hopeful that the operating loss would be reduced.

Holds Out Hope

Returns in June and July were not especially good, but sales last month recorded an encouraging gain. This was more marked in the sale of radios than for other products.

Results for the last six months are not regarded as significant of the year's earnings. This is the off season for companies like C. W. Lindsay, whose earning power depends very largely upon the outcome of the fall and winter business, especially around Christmas time.

The moderate improvement reported to date, however, is regarded as a good omen for the balance of the year. While it is not possible to forecast returns for the year ending next February, sales prospects are improved and as the president stated earlier in the year it is hoped to bring about a reduction in operating losses.

Since the fiscal year 1932, C. W. Lindsay & Co. has chalked up successive operating losses, which have been partially offset by income from investments. Last year the loss on operations totalled $98,725, while other income totalled $42,301, leaving a net loss of $56,424. This was substantially better than in the 1934 fiscal year when the net loss was $85,108.

Cash Position Better

Due to the building up of reserves in good years, the company has managed to carry on without the necessity of borrowing from the banks. A strong working capital position has been maintained throughout the depression years and at present the company's liquid resources, covering cash, call loans and Dominion of Canada bonds, total around $250,000, or about $75,000 better than at the end of the 1935 fiscal year. Current liabilities have always been kept at a low point and in the last two years have averaged less than $45,000.

Collections Are Good

Lower volume of business has had an influence on inventories, of course, as also in the case of accounts receivable. A large percentage of the business done by C. W. Lindsay is effected on the time payment plan. Consequently "paper" figures prominently among its current assets.

The experience of the Lindsay company with time payments has been exceptionally favorable. Losses to date have amounted to only a fraction of one per cent. At present defaults are fewer and collections "surprisingly good."

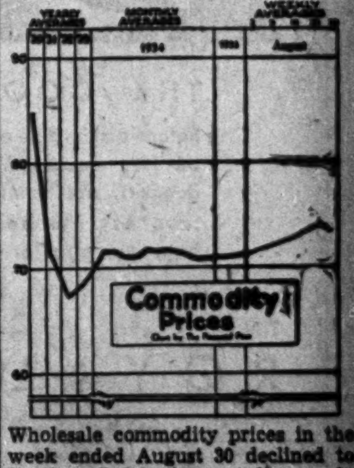
Further Cut in Debt

For some time past C. W. Lindsay management has been carrying out the policy of reducing both its funded debt and outstanding preferred stock. In February, 1928, the company issued $1.2 millions of first mortgage bonds and a like amount of 6½ per cent cumulative first preferred stock.

The financial statement dated February 28, 1928, showed that the funded debt had been reduced to $500,000 and the outstanding preferred to $515,200. At present the outstanding debt stands at about $400,000, while the preferred stock in the hands of the public totals $500,000.

No Dividend in Sight

Until the company's operations are in black, there is little prospect of dividends being resumed. The preferred stock is now over $22 a share in arrears.



Wholesale commodity prices in the week ended August 30 declined to 71.4 from 71.8 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

Your Every Apparel Need can be conveniently met in the MEN'S SHOP

In this compact shop you can purchase anything from a slip-on sweater to a custom tailored suit — from riding boots to bathrobes, and top-coats to ties.

And when you shop in the undeniably masculine atmosphere of the MEN'S SHOP you enjoy that comfortable sense of having bought wisely and well. Correctness and good taste reign supreme —and reasonable pricing is a byword and a bulwark.

Call in and look over some of the new Fall merchandise we are featuring for the well-groomed man.

Shirts $2.00 to $6.00
Ties $1.00 to $3.50
Socks 65c to $2.50

Free Parking While Shopping

MEN'S SHOP
Bay Street Section

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

pictures of theatres, residences and all sorts of buildings that have been commandeered to house new bureaus.

* * *

PROPAGANDISTS for the administration are promising that Roosevelt will go to the country in 1936 on a programme of balancing the budget. This means new taxes. There is no indication that it will mean reduced expenditures in any department.

And it is not the old-fashioned type of budget balancing, where outgo was kept within income that Mr. Roosevelt plans. He evidently has some new ideas in bookkeeping that he is going to try out.

The new taxes that business will be asked to pay to cover the cost of "social security" are to be levied as assessments for trust funds and they therefore will not be counted in government expenditures. It is expected that within a few years there will be $50 billions in the funds. And no group of politicians with $50 billions of trust funds under their control need ever show deficits.

* * *

Design For a Cloudbank

WHAT Alberta people voted for is uncertain. It may have been for that vague thing called Social Credit. It may have been for the Basic Dividend. It may have been simply for Mr. Aberhart.

Major Douglas's Social Credit plan is like a cloud, constantly changing its shape and constantly shifting. Mr. Aberhart's pre-election manual attempted to present a design or pattern for the Social Credit cloud. It left a thousand questions unanswered. But it was as specific as anyone could have wished on some points. There was, for instance, no lack of candor in Mr. Aberhart's undertaking, if elected, to put every individual activity of every individual citizen under the complete and inescapable control of the provincial government. His whole manual exudes a philosophy of bureaucratic regimentation.

* * *

JUST to throw a little light on the problem of what Alberta people voted for here are a few of the measures which the new government in Alberta is committed to introduce. Every one of them is to be found—not in these exact words, of course—in Mr. Aberhart's official election manual:

> No one will be permitted to draw any wages or other income in any form except credits in a governmental pass book. The worker will receive no real money at all.
>
> It will be illegal to buy or sell so much as a toothpick or a newspaper except at a price fixed by the politicians.
>
> It will be a crime to save any money, except to invest in Alberta bonds. The individual who takes a flyer in a penny mining stock or a Dominion government bond will go to jail.
>
> Every individual's business or work will be controlled by the government. The grocer can be ordered to mend clocks; the dentist to mine coal; the doctor to slaughter pigs.
>
> There will be a sales tax on every transaction—probably 10 per cent. The same goods can be taxed over and over again. Wheat will be taxed as wheat, as flour, as bread, and possibly several times as each.
>
> These sales taxes will take $120,000,000 yearly, or $25 per month apiece from each of the 400,000 taxable citizens.
>
> Any citizen who buys a cigarette, a novel, a movie ticket or any other article designated as a "luxury" while he is hungry or improperly clothed, will be put on the Indian list and receive no Social Credit dividends.
>
> No article can be imported into Alberta if it sells for less than the producer in Alberta is charging.
>
> For that matter, all importations into Alberta will be prohibited except by permit. Anyone smuggling in goods will be punished.
>
> There will be provincial police officers on every train and on every highway. They will search all baggage and all cars.
>
> The man who has lived in Alberta less than one year will be forbidden to import anything, will be forbidden to work and must beg or starve until his year is up.
>
> If an Albertan wishes to move to another province he must declare his wealth and he will be allowed to take out of the province only what the provincial inspectors think is necessary to the very existence of himself and "loved ones."
>
> There will be a fixed maximum income. It will be a crime to earn more than that.
>
> Any resident who receives a pay cheque or dividend cheque from outside will have to turn it in to the province in exchange for a non-negotiable credit.
>
> The people will get $120,000,000 in basic dividends. They will be charged $120,000,000 a year in sales taxes. All they get is the ride—plus the bills for inspectors and officials.

* * *

HERE, then, are some of the things the people of Alberta voted for. But Albertans are not fools. If they voted for these things they did not mean to do so. Probably they were just voicing a protest against the old government and things in general. It is doubtful if they would support their new government in the establishment of a Social Credit scheme on the lines of Mr, Aberhart's own manual that he circulated among them.

AWARD SPURNED TRINIDAD ELECTRIC WILL GO TO COURT

Canadian - owned Company Turns Down Offer of $1.6 Millions

From Our Own Correspondent

MONTREAL.—Further difficulties in the way of the sale of the Canadian-owned Trinidad Electric Co. are indicated in a dispatch from Port of Spain, to the effect that the company's general manager has refused to accept a cheque from the municipality for $1,604,195, the amount set by arbitrators as the purchase price of the undertaking.

Following this move the mayor of Port of Spain announced that he would ask the Trinidad Government to introduce emergency legislation to force the company to hand over the ownership to the city council.

Town Exercises Option

Four years ago last March the Trinidad Electric Co.'s franchise expired. Under the terms of the agreement the municipality had the option of renewing the franchise or taking over the electric power and tramways system owned by the company. Arbitrators appointed to determine a price on the property set a figure of around $1.6 millions. The company claims that its system is worth nearly $3 millions. It is said that the arbitrators made no award on its original cost of acquiring the franchise and organizing operations, set respectively at $1.2 millions and $700,000.

A court ruling on this claim is being sought by the company. Meanwhile the municipality sent along a cheque covering the amount set forth in the arbitrators' award and which has been refused.

Nine Concerns Sign Contract Housing Plan

From Our Own Correspondent

OTTAWA.—Nine companies have signed the formal contract to cooperate with the Dominion government in the housing scheme. They are:—

The Sun Life Insurance Co.; the London Life; the Mutual Life; the North American Life; the Great West Life; the Grey and Bruce Trust & Loan Co., of Owen Sound; the Commercial Trust Co., of Chatham; the Sterling Trust Co., of Toronto; and the Capital Trust Co., of Ottawa.

The response from financial corporations to date has been distinctly less enthusiastic than the government expected, but the delay in executing a very much larger number of these contracts is being put down, here, to the fact that the executives are absent on holidays, and not to a disposition to sheer away from the scheme.

Important Decisions

Two important administrative decisions have been made.

Borrowers will not be restricted as to the amount they can spend on a house. The fund is open to builders of large as well as of small houses.

Borrowers do not have to accept the full loan in erecting homes. The scheme provides that the builder must put up 20 per cent, the government 20 per cent and financial corporations the balance. If a borrower has more than 20 per cent of the proposed outlay, he will be just as welcome as the one with less capital.

The main objective is to get the full housing programme—$50 millions—under way as quickly as possible.

U. S. Tariff Board Plans Enquiry on Pulpwood

From Our Own Correspondent

MONTREAL.—United States Tariff Commission has undertaken to investigate the wood pulp and pulpwood situation in the United States and those countries from which the U. S. receives a supply of either product. This investigation will be of interest to Canadians, inasmuch as practically all of the pulpwood imported into the States comes from Canada, while the greater part of the wood pulp exported from Canada goes to the same market.

The investigation, which is being carried out in compliance with a resolution of the U. S. Senate, will bring together all facts relating to wood pulp, or pulpwood, showing the volume of importations compared with domestic production, and the conditions, causes and effects relating to foreign competition, and all other facts showing the differences in, or which affect competition between, the production of wood pulp or pulpwood in the U. S. or that imported in the principal markets of the United States.

Maritime Tel. and Tel. Records Loss in Stations

From Our Own Correspondent

MONTREAL.—Toll traffic handled by the Maritime Telegraph and Telephone Co. during last July shows a small increase over that for the corresponding month a year ago. The number of long distance calls handled totalled 117,618 of which 93.5 per cent were completed. The Island Telephone Co., a subsidiary, handled 14,159 calls in July and completed 89.8 per cent.

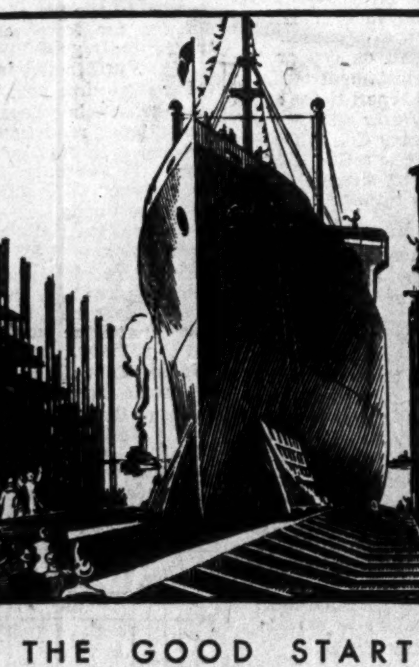
For the first time in several months Maritime Tel. reports a decline in stations installed. The number of telephones in use at the end of last July was 38,372, a net loss of 263 during the month. The Island Telephone's installations dropped by eight to 5,417, while connecting companies reported an increase from 6,200 to 6,208.

EXECUTIVE

Age 34, married, residing in New York City, at present in Canada on vacation, background of banking, public accounting (N.Y.C.), since 1929 and until very recently controller, treasurer and secretary of large group of corporations which are now insolvent,

WANTS PERMANENT CONNECTION

with Canadian or American organization that can use his services and pay $6,000 salary or better. Box 280, The Financial Post, Toronto.



THE GOOD START

Before a ship puts out to sea, she must be fully equipped. Regular savings deposits, accumulating at compound interest, can be used to equip boys and girls for their life voyage.

THE ROYAL BANK OF CANADA

CANADA DRY TRIES COCA-COLA PLANS IN SELLING "SPUR"

In 8-oz. Field With New Drink to Bolster Slipping Profits

Both the soft drinks trade and investors will watch with interest the course of sales of "Spur," the new 8-ounce bottled product just sent out to retailers by Canada Dry Ginger Ale, Inc. This is generally regarded as an invasion of the Coca-Cola field because Coca-Cola turnover is mainly in sales of the 8-ounce bottle at a net cost to the retailers with and without soda fountains of 60 cents a case of 24 bottles or 2½ cents each.

While Canada Dry Ginger Ale profits have been going progressively downward since 1929 Coca-Cola sales were even larger in 1934 than in 1929. The reason given is that Coca-Cola sends out its product in syrup form and the drink tastes the same whether bought at a fountain or in bottles or whatever water is used.

Canada Dry Ginger Ale has in the past been obliged to make most of its product in central plants where the quality of water used could be rigidly controlled. In the depression it also has tried to popularize a ginger ale syrup with some success, but variations in taste and quality of water supply from one community to another makes a much greater difference in the taste of ginger ale than of Coca-Cola, it is claimed. Sales of bottled ginger ale are therefore most important but manufacture at a central point still means the absorption of high freight and distribution charges whenever the goods get beyond a certain radius from the plant. Local bottlers are continually bidding for the market and prices must be met.

Apparently Canada Dry is not going to risk the name and fame of its brand of Canada Dry, but will try to build up new business under the name of "Spur." It will be sold on identically the same terms as Coca-Cola.

Sales by ginger ale firms of ginger ale or charged water for use with various stronger liquors have been disappointing. One reason is that apparatus manufacturers have sold charging units to hotels and clubs which now do their own bottling and buy only small quantities of advertised brands to meet the demands of particular customers.

New Telephone System Meets Lumbering Needs

For seven weeks now the sister communities of Port Alberni and Alberni at the head of Barkley Sound, Vancouver Island have been operating with a new telephone system. The old magneto equipment was "killed" on June 20 and the new common battery switchboard was cut into service. Actual conversion was made in two minutes.

The system is now the same as is used in Vancouver and other centres covered by British Columbia Telephone Co. Lines available number 800 with a capacity at 2,500 lines. Expansion of lumber industry caused large increase in two years in connections and necessitated this change.

Port Alberni 75 years ago shipped the first cargo of Douglas fir ever shipped from British Columbia. In 1934 all previous records for exports from this port were excelled with a total of 135 million feet of lumber. Judging by results to the end of June, 1935, may exceed the 1934 total. The four principal lumbering firms in this area are Bloedel, Stewart & Welch, Ltd., the Alberni Pacific Lumber Co., the Sproat Lake Sawmills and R. B. McLean Lumber Co. Fishing is also an important industry in this port.

Potato Research

Improved methods of gathering, packing and shipping New Brunswick's potato crop, with the idea of making a stronger appeal to outside markets, is the object of an educational campaign currently being launched by the Provincal Department of Agriculture.

Many Gains Canada Trade Via London

Remarkable increases in most Canadian imports to England via the Port of London in the past four years are shown by figures given The Financial Post this week by A. E. Wildey, public relations officer of the Port of London Authority, now in Canada in charge of the P.L.A. exhibit at the Canadian National Exhibition.

"There is still considerable scope for expansion of Canadian trade," said Mr. Wildey. "Especially if Canada will persevere and use more publicity."

This is the first time the P.L.A. have exhibited at Toronto.

In the 12 months ended March 31, the total quantity of Canadian goods imported into London from Atlantic and Pacific ports, says Mr. Wildey, was 1,473,308 tons. Most items have shown remarkable increases compared with four years ago, the only declines being in wheat, cheese and newsprint. Figures for chief items are as follows:

Unit:	1931	1935	Increase %
Apples, bbls.	1,167,736	1,807,398	55
Bacon, tons..	5,282	63,526	1,100
Furs, No. ...	1,381,610	1,747,488	27
Hides, tons..	641	1,215	90
Timber, M. ft.	356,373	1,567,341	340
Tobacco, tons	2,152	4,421	105
Copper, tons	1,294	99,744	7,600
Aluminum, tons	3,407	14,025	311
Lead, tons ..	47,795	91,629	92
Zinc, tons ..	58,633	101,018	72
			Decrease %
Cheese, tons ..	36,813	28,665	22
Wheat, bu. ..	131,679,398	113,357,139	14
Newsprint, tons	121,125	75,127	38

NOT MUCH HOPE GERMAN IMPORTS CANADIAN GRAIN

Crop Prospects in Both Germany and Austria Satisfactory

Little hope is held by Canadian Trade Commissioners abroad of any extensive export shipment of Canadian grain to Germany this season. Not only is the foreign exchange situation considered as distinctly unfavorable but general crop prospects in the Reich are described as satisfactory. Total quantities of grain in storage and in sight from the new crops are considered sufficient to carry the country through another year.

Not Much Hope

The only hope for the Canadian exporter it is stated, lies in the possibility of certain types of grain being needed in limited quantities, in which case, there might be some amelioration of the present stringent regulations and control over grain imports. A modified form of the old export bond system might be reintroduced, and imports permitted of such qualities of wheat and other grains which cannot be supplied or substituted by domestic sources. To offset this, there would be an export of certain types of grain which might be in excess of domestic requirements.

Austria and Hungary

Growing conditions in Austria are reported satisfactory with a crop in sight of 30 per cent above last year's level. Domestic supplies will have to be supplemented, however, by imports from abroad in order to meet consumption requirements but it is understood that Hungary is favored as the source of such supply. The crop in the latter country is well above last year with a very substantial exportable surplus indicated.

Public Utility Earnings

Winnipeg Electric Co.

	June, 1934 $	June, 1935 $
Gross earnings	398,452	402,871
Oper. expenses	266,828	269,352
Net oper. earns.	131,624	133,519
Aggreg. gross earns. from Jan. 1 to end of June	2,675,183	2,702,247
Aggreg. net earns. from Jan. 1 to end of June	1,015,155	1,017,245

BUILDING AWARDS WELL ABOVE 1934 IN AUGUST TOTAL

Large Montreal Contracts Offset Usual Decline

Large engineering contracts in Montreal were the chief factor in offsetting the usual late summer decline in construction contracts. MacLean Building Reports place contracts awarded in August at $23.8 millions as against $18.5 millions in July and $13.5 millions in August, 1934.

By provinces, figures for the month are as follows: Quebec, $11.3 millions; Ontario, $6.7 millions; Nova Scotia, $2.7 millions; British Columbia, $1.5 millions; Saskatchewan, $701,000; Alberta, $366,500; Manitoba, $268,600; New Brunswick, $238,900; and Prince Edward Island, $79,200.

For the first eight months of this year contracts totalled $118 millions, an increase over the corresponding period of 1934 of 37.7 per cent, over 1933 of 114.4 per cent and over 1932 of 18 per cent.

Large Contracts

The following are some of the larger contracts awarded during the month:

Montreal—Dredging	$5,478,200
Montreal—Wharf	1,084,000
Halifax—Public bldg.	1,009,138
Halifax—Parliament bldg.	800,000
Montreal—Wharf	710,910
Montreal—Rebldg. wharves	526,975
Little Narrows, N.S. — Crushing plant, roads & warehouse	500,000
Regina—Public bldg.	461,409
Montreal—Extn. to pier	288,439
Toronto—Harbor head wall	207,438
London—Station	200,000

CRISIS IN CIVIC FINANCE STILL PERSISTS IN ONT. AND IN WESTERN AREAS

(Continued from page 1)

that relief is not a municipal responsibility and should be met chiefly by provincial and Dominion governments. In Ontario, the government view is that relief costs must be cut drastically and that the province will pay less, not more, on account of relief. This is the most definite policy of Ontario with regard to relief. It is this which raises fears that there may be more defaults because of addition to municipal relief burdens.

Ontario's Premier Hepburn recently announced a somewhat indefinite four-stage relief policy programme, as follows:

1. From Sept. 1 administration of supervised (defaulting) municipalities reverts from provincial to local control, with costs of administration payable by the municipalities.
2. Conference proposed of municipal, provincial and federal authorities, following Dominion election Oct. 14, to determine equitable distribution of unemployment relief costs between the three jurisdictions.
3. Ontario legislature to hold session to determine revenues and share of relief costs that province will assume.
4. From Jan. 1, 1936 provincial contribution to municipal relief costs to be changed from present basis of one-third net.

Despite the seeming quiet on the western front of municipal finance, apprehension is felt in some quarters over the inability of municipalities to meet their relief expenditures. Calgary, for instance, has made its position clear in the past two weeks. It must have $515,000 to pay this year's obligations or it will have to default.

There is little doubt that the Dominion government will aid Calgary through the new Aberhart government. This, however, still leaves western municipalities in a vulnerable position in the opinion of authorities consulted by The Financial Post. Costs of relief are not being paid, but borrowed from governments which are not paying their own way.

The authorities on public finance find themselves forced to the conclusion that municipal difficulties are leading the way to an eventual crisis in national and provincial finance. To The Post, one commented: "Like Micawber, we've been waiting too long in this country for 'something to turn up.'"

ALTA. CABINET NO EXPERIENCE IN PARLIAMENT

(Continued from page 1)

exception of S. A. G. Barnes, of Edmonton, who for some years has been a member of the Edmonton School Board, they are quite without previous training of this kind.

Members of the small opposition are all former members of the provincial legislature with one exception.

Cabinet members of the new government, which received such wholesale support at the recent election, with a brief sketch of their careers, are as follows:

William Aberhart, Premier, was born at Seaforth, Ontario. He spent ten years in Brantford, teaching school and moved to Calgary about 25 years ago and for the last 20 years has been principal of the Crescent Heights high school there. He has spent his spare time teaching the Bible and leading his large Prophetic Bible Institute congregation in its many religious activities. He is founder of the Social Credit movement in Alberta.

Ernest C. Manning, provincial secretary, was born at Carnduff, Sask., and received his education in Rosetown, Sask. He was engaged in farm work until 1928, when he moved to Calgary as a student under Mr. Aberhart at the Prophetic Bible Institute. Later he was made secretary to Mr. Aberhart.

John W. Hugill, K.C., attorney-general, was born at Windsor, N.S., in 1881. He attended Dalhousie law school, Halifax, and is a graduate of the King's College. He came to Calgary in 1907 and was admitted to practise law in Alberta and Saskatchewan in 1910. He is also a barrister and solicitor in British Columbia. He is consul in Calgary for Sweden and vice-consul for the Netherlands.

Charles C. Ross, lands and mines, was for many years Alberta district supervisor of petroleum and mines under the Federal Department of the Interior. At one time he had under his supervision the mineral departments of northern Manitoba as well as Saskatchewan and Alberta. Several years ago he retired from the Government service and as a mining engineer has been developing and operating mining properties. He was offered and declined the position of petroleum commissioner by former Premier Brownlee, when the province took over its natural resources.

William N. Chant, agriculture and trade and commerce, operates a large farm near Camrose. He is noted for his progressive and up-to-date methods of farming.

Dr. W. W. Cross, M.D., health, has practised as a physician in the town of Hanna, Alberta, for many years.

Charles Cockroft, provincial treasurer and municipal affairs, operates a general store in Gadsby. He is an accountant by profession and was formerly connected with a chain of stores operating in Central Alberta. He went into business for himself about eight years ago.

W. A. Fallow, public works and railways and telephones, has been C.N.R. station agent at Vermilion for many years. He is a former mayor of Vermilion and is keenly interested in municipal affairs. He defeated Premier R. G. Reid in the riding in the recent election.

Material Rise In Employment

Increase in employment featured this week's business figures. Based on the year 1926, the Dominion Bureau of Statistics' index stood at 101.1 at the beginning of August, the highest for any month since 1931. Employment in all economic areas except Ontario was greater than at the same date of the last three years.

		Change From Prev. Period %	From Prev. Year %
Monthly	Aug. 1		
Employm't, No. .	949,940	+ 1.6	+ 1.2
	July		
Coal prod. ...tons	966,995	+ 4.2	— 2.5
Power ..... kw.h.	1,790,546	— 1.4	+10.4
Auto finance.....$	2,531,943	— 5.1	+32.5
Weekly			
Carloadings ...No.	43,851	+ 1.7	— 9.1
Cattle sales....No.	20,586	+12.2	+47.6
Hog sales .....No.	11,331	— 2.8	— 0.5

Bain Pooler Has Offices In Hamilton, Brantford

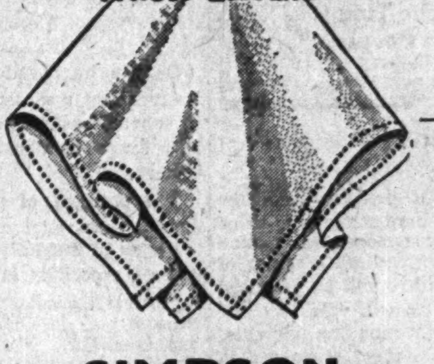
Bain, Pooler & Co., Toronto Stock Exchange firm, has this week taken over branch offices in Hamilton and Brantford. These offices will carry on a general brokerage business and will be connected with the head office by direct wire. They will be under the management of R. S. Cook and W. H. Dickie, respectively.

Through all the ups and downs of business, Canadians have learned to rely upon the unwavering strength and helpful service of Canada's oldest bank.

Head Office Montreal

BANK OF MONTREAL
Established 1817

MODERN, EFFICIENT BANKING SERVICE
.... the outcome of 117 years' successful operation ....



IRISH LINEN

SIMPSON SUPREMACY HANDKERCHIEFS

25c Each - 4 for $1

Men prefer Simpson Supremacy Handkerchiefs because they are soft, smooth, and firmly woven for long wear from pure Irish linen. But they also know that they look well when tucked into a breast pocket, because they have neat ½ or ¾-inch hems, are bleached snowy white, and are a generous, large size. 25c; 4 for $1.

STREET FLOOR, QUEEN ST.

Simpson's

THE ROBERT SIMPSON COMPANY LIMITED

SAYS LOW OUTPUT IS BIGGEST FACTOR HIGHER AUTO PRICE

Tooling Costs Also Important in Canadian-U. S. Spread

An explanation of why automobile prices are higher in Canada than across the border was given recently by H. J. Carmichael, president of McKinnon Industries, Ltd. Mr. Carmichael placed the onus on volume, pointing out that Canada produces but 4.3 per cent of the United States' output. Tooling costs were given second place. "Our investment in machinery and special tools," Mr. Carmichael said, "95 per cent of which cannot be purchased in Canada due to the small volume used as against the large American production, costs the Canadian companies approximately 50 per cent more than the American companies when you add 35 per cent duty, three per cent excise and six per cent sales tax to the cost to plants we are competing with."

"If a person would take the time to compare the difference in price in Canada which is approximately $209 higher than the American car cost delivered (prices based on Chevrolet sedan), and the comparison with Vauxhall models (a comparable British make), which average slightly over $1,400 or a spread of approximately $765 over the American price, it most certainly reflects no discredit on the Canadian manufacturers of motor vehicles or parts."

There are over 500 plants in Canada supplying parts and materials to the automotive industry.

Quebec Net Deficit Nearly $5 Millions

Hon. R. F. Stockwell, K.C., provincial treasurer of Quebec, announces that total ordinary revenue for the year ended June 30, 1935, was $32 millions and total ordinary expenditure $36.9 millions. The net deficit was therefore $4.9 millions. The net deficit of the preceding year was $5.6 millions.

Ordinary revenues were $200,000 greater than estimated but expenditures were $4 millions over estimates. The $4.9 millions deficit included $2.7 millions actually set aside for various sinking funds for amortization of the public debts and $1 million deducted from the Quebec Liquor Commission profits for contribution to the public charities fund.

There have been heavy annual increases in the public debt in order to help municipalities cope with the unemployment problem. Mainly for this reason the service of the public debt has increased in five years by $4.1 millions. The increased taxation on corporations and large estates at the last session of the legislature represent an effort to offset this increase in annual fixed charges.

PARAMOUNT EARNINGS DOWN SINCE MARCH 31

Accounted for by Usual Seasonal Factors — Fall Spurt Expected

Official statement of Paramount Pictures for the first quarter ended March 31, 1935, show estimated net earnings after reserves at $1.5 millions, apparently somewhat different from previous statements made at court hearings by some of company's attorneys. Those figures were published in The Financial Post and were correct, it is explained, but not qualified sufficiently. Officers of the company state that earnings for second and third quarters will be less than this as summer receipts are always lower.

Actual operating earnings from subsidiaries were $2.4 millions and dividends of $77,000 from non-consolidated subsidiaries, or $2.5 millions in all. Estimated income taxes and interest on bank settlement (non-recurring after June 26) and foreign exchange adjustment was $440,000. Interest on new debentures is shown at $400,000 and $170,000 is shown for losses of Paramount Broadway Corp. and inactive companies. These deductions exceed $1 million.

Because of seasonal factors these net figures cannot be used as an investment guide. The results also exclude operations incident to bankruptcy and reorganization proceedings of the parent company. These are principally non-recurring expenses though administrative expenses may to some extent replace them.

The operating results also exclude results of Olympia Theatres, Minnesota Amusement Co. and Saenger Theatres in receivership or reorganization proceedings and other indirectly owned subsidiaries in receivership and bankruptcy. Net capital losses for which new reserves were created on the balance sheet of September 29, 1934, are not included.

The next statement, which will be of real importance will be for the last quarter of the year and for the year as a whole.

Executive Available

Sales Executive, 39 years of age, with successful record in sales management, advertising, sales promotion, and market research, desires position where there is scope and reward for hard work and originality.

Further details and references gladly supplied. BOX 232.

Power Utilities Mark Time

Ontario Hydro and Public Relations Dominate Outlook, but Operating Returns Strengthen

From Our Own Correspondent

MONTREAL. — Premier M. F. Hepburn and his associates in the Ontario Government, by withholding a definite decision on whether or not they will repudiate the Ontario Hydro contracts held by the Quebec utilities, are holding a bomb over the power industry.

Several months have passed since Attorney-General Roebuck started the ball rolling by stating that the Hydro contracts held by the Quebec utilities were illegal. Mr. Hepburn followed this up by securing the necessary authority permitting the government to cancel the contracts. And while Hydro has been instructed to refuse further deliveries, actual repudiation has not been carried out. Payment for part of the Hydro contracts, however, has been refused without there having been any negotiations looking to amicable settlement of difficulties.

Matter of Public Relations

The Hydro situation is giving the most concern to leaders in the utility field. The principle involved not only affects those companies directly interested, but others who value the maintenance of peaceful public relations. Until of late it must be admitted that many utility executives in this country ascribed to Commodore Vanderbilt's famous dictum—"The public be damned." But the public have other thoughts on the matter, and while the Ontario Hydro troubles may be ascribed to political motives, there is plenty of evidence to show that the utility executives' lack of appreciation of the value of public goodwill has contributed in no small measure to the present Hydro and other troubles.

With a few exceptions the utility operators are now fully aware that the fostering of goodwill with the public is just as essential as lowering the cost of electricity. The agitation for lower rate schedules, municipalization, etc., clearly proved that public relations were far from strong and opened the eyes of many utility executives who thought that as long as their rates compared favorably with those charged in the United States or Ontario, they were doing all that was necessary to protect their own interests. The fallacy of this belief has been proved.

Operations Are Better

Over and above public relations, operations have become increasingly satisfactory. Production figures this year have been on a record scale. While the use of electricity for steam boilers has contributed substantially to the betterment, the returns compiled by the Dominion Bureau of Statistics, together with reports from individual operators, indicate that the sale of firm power for industrial use has tended to move upward. Commercial and domestic demand also has been increasing. From the point of view of sales, 1935 should be one of the best years experienced by the power companies for some time.

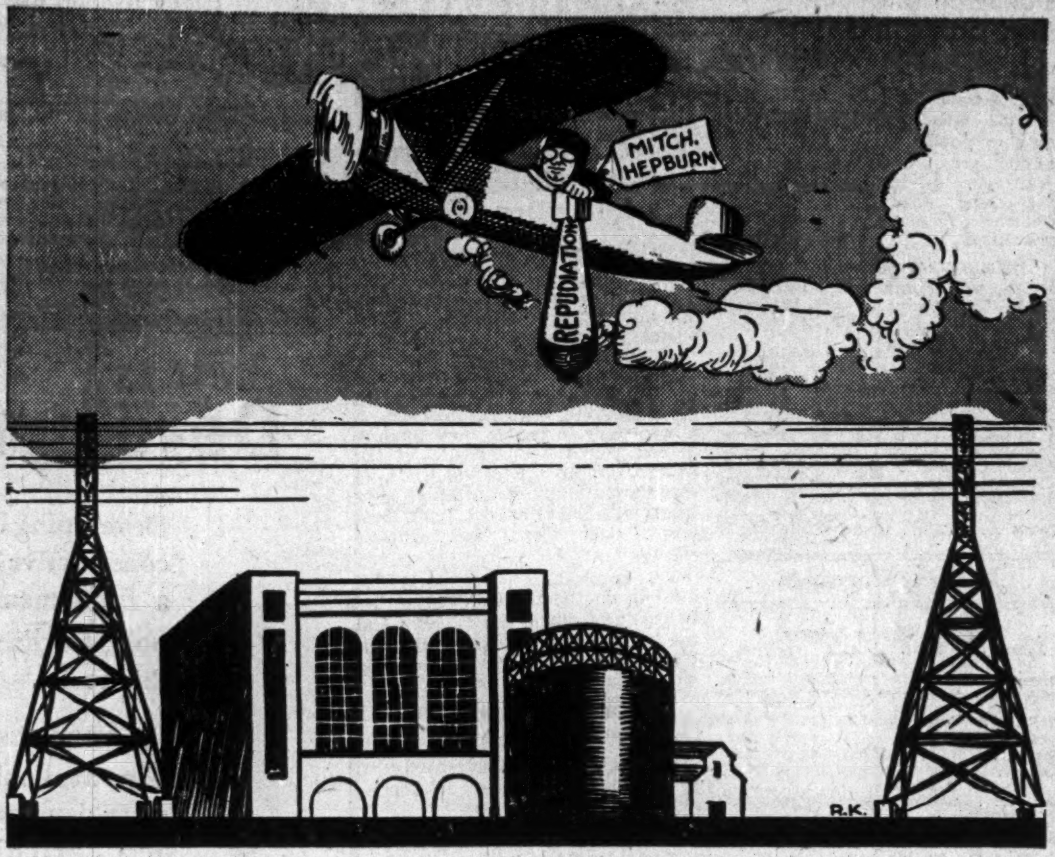
Earnings and finances have, on the whole, been moving in the right direction. The trouble of the Quebec utilities with the Ontario Government over the Hydro contracts remains unsettled and has caused a big question mark to be placed opposite those companies involved. Were it not for this, it might be said that the position of the Canadian power companies as an industry is stronger than a year ago. But until the Hydro situation is straightened away, the industry marks time.

Saint John's Troubles

In the Maritime area the only development of importance is the City of Saint John power situation. At this point the New Brunswick Power Co. competes with the civic system. Rates have been slashed in order to secure business. Service has been wastefully duplicated with the result that neither the municipal system nor the privately owned company have been able to do much more than "get by." The municipal system has been severely criticized on different occasions and is now being investigated. Meanwhile the New Brunswick Power Co. has offered to sell out to the city. This proposal is still in a tentative stage and negotiations are likely to be delayed until the outcome of the civic investigation is known. Canadian investors are interested in the company's outstanding first mortgage bonds. The junior securities are all held by the Federal Light and Traction Co., which has also made large loans to its subsidiary. The bonds mature in 1937. If the property is sold to the city, the bonds assume greater investment merit. In the event that the sale does not go through, Federal Light will likely take care of the bonds in order to protect its own stake.

Lower Rates Have Effect

Moving west to Quebec, a survey shows that the power companies in that province are recovering from the unsettlement created by the Lapointe investigation. The findings of this board were not unfavorable to the privately owned companies and with the tacit understanding that the Quebec Government intends to do nothing that will unduly disturb the position of the operators, investors feel more confident about their holdings in Quebec utilities.



WHEN WILL HE DROP IT?

The operators have not escaped scot-free, however, as many of them have reduced their rate schedules which has had an effect on earning power—at least for the time being. For the first half of this year, for example, Quebec Power Co. reported a gross revenue of $1,770,000, or about $100,000 less than for the same period in 1934. Net profit before depreciation and income tax totalled $393,187, as against $486,771 a year ago.

Southern Canada Power Co. is another Quebec operator which has put a lower rate schedule into effect. The effect of this change is seen in the interim reports on earnings. For the first nine months of the fiscal year ended June, gross income at $1,599,434 was 2.79 per cent less than for the same period of the previous year, while net earnings at $969,477 were off 7.78 per cent on the same comparative basis.

Montreal Power Steady

Montreal Light, Heat and Power also reduced its domestic consumer rate. This company has not published any interim figures on earnings. It is expected that the full year's report will show no material difference in earning power. For the first seven months this year, Montreal Power's power sales totalled 574.6 million kw.h., representing a small increase over the same months in 1934. Gas production at 3,021 million cubic feet in the seven months, was off 5.15 per cent compared with last year.

While operating revenues of this company may be somewhat less in 1935, income from investments is likely to show an increase. While not immediately beneficial, the refinancing plans of the company should improve the position of the common stock shareholders. The company already has called several million dollars worth of bonds. It is possible that the balance of the funded debt will be redeemed, and the whole replaced with a bond issue carrying lower interest charges.

Shawinigan Records Progress

Shawinigan Water and Power Co. has probably recorded greater headway than any of the other Quebec companies. Power sales of 2,617 million kw.h. for the first half of 1935 were the largest ever experienced by the company for any corresponding period. Gross income at $6.3 millions was well above last year, and net income before depreciation and income tax of more than $1.5 millions was nearly $130,000 more than reported in the first half of 1934.

This company has called in its short term notes and no new financing is anticipated. Redemption of the notes has been made possible largely through the accumulation of earnings following a reduction in common stock dividends. At present the dividend is being earned twice over.

Hydro's Action Indeterminate

Investment interest in the other Quebec power companies is largely confined to senior securities, such as first mortgage bonds. The position of Beauharnois, Maclaren-Quebec Power Co., Ottawa Valley Power Co., and Gatineau Power Co. is, of course, tied up with the possible repudiation by the Ontario Government of their contracts with Ontario Hydro.

This situation has been much discussed in the past several months. While the Ontario Government has taken unto itself the necessary authority to cancel all contracts, the only development to date is the notice to Maclaren-Quebec, Beauharnois, and Gatineau Power that the increased deliveries called for under contract will not be taken.

Outlook is Obscure

It is impossible to say at this juncture just what the Ontario Government eventually will do with the Ontario Hydro contracts. Two difficulties in the way of an immediate decision are: first, Hydro, while not requiring all the power contracted for, cannot get along without at least a proportion of the power now being delivered; and, secondly, political considerations. There has been severe criticism of the Government's action in this matter and it is thought that matters will tend to drag along for some time before decisive action is taken, though recent events tend to indicate a decision shortly.

Others Indirectly Affected

Canadian Hydro Electric Corp.'s fortunes are closely tied up with the Ontario Hydro situation. Practically all of this company's revenue is derived from Gatineau Power and in the event of the loss of Hydro business, it would be difficult, if not impossible, for the company to pay dividends on its first preferred stock, of which $12.5 millions have been sold to the public. Although the market value of this stock has recovered somewhat from the low point of the "break," the present heavy discount reflects the continued uncertainty in the investor's mind as to what the Ontario Government may or may not do.

Calgary Power, while some 2,000 miles away from the Hydro-Quebec squabble, is also much concerned with the outcome, for it has nearly $2 millions invested in the junior securities of Ottawa Valley Power Co. Ontario Hydro is the only customer of Ottawa Valley Power and repudiation of the contract would have an adverse effect on earnings of Calgary Power and in turn endanger its ability to pay dividends on outstanding preferred and common stocks.

While securities of the companies affected directly or indirectly by possible repudiation of Ontario Hydro contracts have slowly recovered, all of them continue to sell at a discount. This state of affairs naturally will continue until the matter is cleaned up.

Reorganizing Winnipeg Electric

The financial reorganization of Winnipeg Electric and its many subsidiaries is the most important situation in the mid-west utility field. Plans have been completed but bond and share holders have yet to give their final approval. Finances of this company have been involved for some time so that its affairs have not assumed out-of-the-ordinary importance. Completion of the reorganization, however, should tend to strengthen the Manitoba utility situation.

On the Pacific Coast, B. C. Power Corp. reports relatively stable operations and earnings. For the 11 months of the fiscal year ended last May, gross earnings were 3.12 per cent higher at $11.9 millions, while net earnings were up by less than one per cent compared with the same period in the previous year.

Not Out of Woods Yet

In this brief survey of operations and problems of those companies in which there is a fairly broad public investment, it is evident that the power utilities are still faced with problems. However, there is evidence to support the conclusion that progress has been made. The most serious situation, of course, centres around Ontario Hydro. Until this is straightened away the outlook for the industry must necessarily be obscure and the tone of the market for utility securities of late would seem to indicate the investor ascribes to this view.

B. C. LUMBERMEN LONGINGLY VIEW AMERICAN MART

Thought Independent by Russia and Japan — Change Attitude

From Our Own Correspondent

VANCOUVER. — Lumbermen in British Columbia have been watching with increasing interest the progress being made toward effecting a reciprocal trade agreement with the United States. Increased sale of lumber in the United States has become extremely desirable as a result of the pressure of competition by Russia in the United Kingdom, the collapse of the market in China owing to high silver and the elimination of Japan as a buyer due to the tariff embargo.

Look With Longing

There was a time, not so very long ago, when lumber mills in this province managed to get along pretty well by selling in the United Kingdom and the Orient. Operators felt that they had practically offset the loss due to the high tariffs which shut Canadian lumber from the once rich sales territory south of the international line. Now, however, the sawmill men look with longing eyes at the United States and if a new reciprocal arrangement can be drafted that will permit them to sell more of their product in the republic the move will certainly be appreciated. In recent months, despite the high tariff, British Columbia mills have by virtue of low cargo rates been able to sell some lumber in the Atlantic seaboard states, but most of this business has been at such a low figure that very little profit is represented.

Stiff Export Competition

The lumber industry in the United States is evidently determined to win back some of the export business which it has lost in recent years, largely to B.C. mills. The Japanese boycott has been a strong card in the Americans' favor. B.C. exports of lumber dropped considerably this summer, while exports from Washington and Oregon perked up for the first time in many months. American mills are capable of producing twice as much as the domestic market can absorb, and for that reason the export field is being pushed at present, resulting in just one more tough competitor for B.C. in world markets.

Higher Percentage Yield From Montreal Sales Tax

Following the recent enforcement campaign, sales tax in the Montreal metropolitan area is being collected in greater proportion. July receipts are low, however, because of light trading. Little is expected of the tax until the period from September to December, which is expected to make or break the whole idea.

CONFUSION REIGNS FARM MARKETING BRITISH COLUMBIA

Federal and Provincial Policies Clash — Fear Price Cutting

From Our Own Correspondent

VANCOUVER. — The whole system of controlled marketing of fruit and dairy products in British Columbia has been thrown into confusion as a result of federal objection to certain phases of the provincial scheme.

Ottawa has voiced its disapproval of the establishment of a single agency to handle all the milk of the Fraser Valley, chief source of the province's dairy production. The lower mainland dairy marketing board has been ordered to hold up the single agency scheme and the federal government has similarly objected to the licensing of a company which had been organized to ship fruit from the Okanagan.

Provincial authorities contend that this policy will probably cause the ruin of the whole marketing machinery built up in this province during the last few months under the Dominion marketing laws. The federal authorities have already agreed to single agencies for the hothouse tomato and vegetable industries.

Dr. K. C. McDonald, provincial minister of agriculture, fears that Ottawa's hostility may lead to price cutting and instability.

FORECAST GAIN IN BRITISH STEEL EXPORTED HERE

Report Arrangement Between Canadian and Old Country Interests

From Our Own Correspondent

LONDON.—Arrangements which are being made both in Canada and in this country for the development of British steel exports to the Dominion are likely to have a far-reaching effect. Not only should this influence individual firms, but also Imperial trade.

The plans which have resulted from a visit by three representative steel industrialists to Canada provide for the closer approximation of British standards to Canadian requirements. They call for better distribution of British steel in the Dominion, and also more consideration of the claims of the British commodity by those responsible for the application of tariff regulations.

Serious Declines

For some time now, British steel exports to various parts of the Empire have declined in an alarming manner. The decrease coincided also with possible reductions in the orders to be placed with the British heavy industries by Russia and other European countries. At the same time, Belgian and German output has been increasing substantially. In the face of these difficulties a more intensive exploitation of the Empire market was decided upon by Sir Andrew Duncan, who is now in charge of developments in the British iron and steel trades.

One member of the delegation has expressed the opinion that, when the plans are in full operation, the exports of British steel plates alone to Canada should amount to some 30,000 tons a year. At the present moment the figures stand in the neighborhood of 6,000 tons.

Encouraged by their success in Canada, British exporters are likely, it is understood, to devote their attention to South Africa, New Zealand and Australia with similar objectives in view. The possibilities of the Colonial Empire are also being looked closely into.

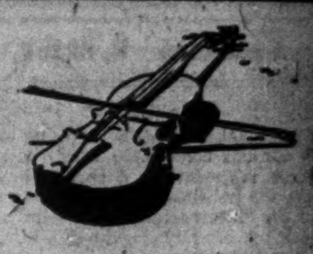
1934 Labor Legislation Published by Department

"Labor Legislation in Canada, 1934," the sixth supplement to "Labor Legislation in Canada" published in 1928, has been issued by the Federal Department of Labor. In general form the volume is similar to previous reports and includes in addition to the statutes, certain orders in Council and regulations made under statutory authority. Legislation passed by the federal government, all provincial governments and the Council of Yukon is included in the survey.

Imports of Aluminum

Aluminum imports in June were valued at $271,000 as against $591,000 a year ago. The import from the United States made up the larger part of the supply at $220,000.

Some things improve with age . . .



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JOHN B. STETSON COMPANY (CANADA) LIMITED
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Bank Chat

Sour Grapes?

TO THE desk of the banking editor has come 6,000 words of advance material on a speech given before a political meeting in Toronto by an "international authority" on banking. And what a rap this world-famous figure takes at our central bank!

The Bank of Canada is but "the debris of a noble idea," he says. It is a privately-owned corporation, "managed by a young inexperienced puppet, a 'Napoleon of Finance' who is under the control and influence of Sir Herbert Holt," and more such rubbish. Finally our "international authority" demands that the bank be nationalized and start an easy money policy.

What a difference a few months make. Only a short while ago this same "international authority" on banking and exchange was struggling desperately to be appointed as an official of the bank with which he now characterizes as having "a really comical yet tragic act of incorporation." When he failed to be named as deputy-governor he was willing to take any job the bank would give him. He did not get a job.

Who is this great authority whom the central bank was so foolish as to overlook in its appointments? Here in part is the description he gives himself in his broadsheet:

"Canadian banker of twenty-five years' experience in Canada, the United States and Europe. Case R. Howard, President and Chairman Banking Committee, Canadian-American Trade Board, New York, formerly manager, Foreign Business Department of the Canadian Bank of Commerce, New York agency, and for many years their travelling representative and publicity officer in the eastern states for that institution—author and noted lecturer before many annual conferences of industrial and financial and banking associations in Canada and the United States."

* * *

Norway's Policy

NORWAY has no intention of returning to gold in the immediate future, according to N. Rygg, governor of the Norges Bank. At the meeting of the council of supervision recently, Mr. Rygg indicated sympathy with sterling as follows:

"It seems tolerably clear that we cannot at present tie our currency to gold. Neither could this be done in the immediate future. The step cannot be taken until the time is ripe for an international gold standard No more could we link our currency to any foreign currency which it itself movable. Quite a different thing is an adherence to other countries when the interests actually coincide and as long as this is the case. The States are thus lined up, and they will gradually approach a de facto stabilization, which is a necessity before a final settlement can be attained."

* * *

Fair Exchange

AN AGREEMENT has been made whereby expenditures of German tourists at Czechoslovak spas will be met from the proceeds of sales in Czechoslovakia of German automobiles, trucks, motor cycles and certain types of equipment for state railways. Each tourist will be allowed the equivalent of 500 reichsmarks. In order to meet current seasonal requirements a number of the banks have combined to advance necessary funds to the spa account. Just another attempt to overcome exchange snags.

* * *

Happy New Year

BANKS in three different countries will be closed one day in September because of New Year's Day. It may seem strange to Canadians who are accustomed to set aside January 1, but the Guaranty Trust Co. of New York, includes in its list of September holidays, the Parsi new year in Bombay on Sept. 6, the Abyssinian New Year's Day on Sept. 11 and the Jewish New Year on Sept. 29 observed by some banks in Palestine.

Other interesting detours from the ordinary routine are the anniversary of the cyclone of 1930 in the Dominican Republic, Casanova's Day in Spain (we wonder how it is celebrated) and the Mid-Summer Festival in China. The Christmas atmosphere is apparent in Czechoslovakia where Saint Wencelas Day is hallowed on Sept. 28.

* * *

British Merger

THE recent merger of the District Bank and the County Bank is the first in Great Britain since 1928. Back in 1918, a treasury committee ruled that no mergers should be made unless approved by the treasury, and stated that further amalgamations might lead to the creation of a money trust. There is little danger of this as a result of the latest merger as combined deposits of the banks concerned will amount to £71 millions, relatively small in comparison with the "big five."

* * *

One Way to Balance

WRECKERS demolishing a branch bank building recently were surprised to find 35 cents hidden away far under a radiator. Evidently there was at least one day on which the books didn't balance. There is a real problem for the inspectors.

Cost of Living

The cost of living index compiled by the Dominion Bureau of Statistics remained unchanged from the previous month in July at 78.8. In July last year the comparative figure was 78.2.

No Improvement Indicated In Banks' Earning Position

July Statement Records Further Sharp Decline in Loans and Increase in Investments — Credit Index Drops Back to 44.9

Declining trend of bank earnings was continued in July, the consolidated statement of Canada's chartered banks indicates. Although deposits increased almost $10 millions, loans again dropped sharply, funds being placed in comparatively low interest bearing securities, which increased $13 millions during the month. Liquidity continues to improve at the expense of bank revenues.

As a consequence, The Financial Post credit index, which is based on the percentage of current and call loans in Canada to total Canadian deposits, dropped back after gains in the two previous months. These advances, however, as stated at the time, were effected largely because of substantial reductions in deposits rather than through more loans. As compared with a year ago, loans show a decrease of 7.2 per cent, while deposits are up 6.2 per cent.

Earnings Prospects

It is conjectural just to what extent improved conditions will be immediately reflected in reversing the unfavorable earnings trend, more or less continuous for the past five years. The decline recently is said to have arisen more from the borrowing concerns paying off debts as business improved than from extensive shrinkage in new loans. As and if conditions continue to improve, industrial concerns will undoubtedly take advantage of the low rate prevailing in the security markets, both for new financing and to pay off bank indebtedness. There is, of course, the probability that better times will bring about a greater demand for bank aid in financing stock market operations.

The general trend is indicated in the following table:

Use of Bank Credit in Canada
(In Millions of Dollars)

	July 1935	June 1935	Ch.	July 1934	Ch.
Loans	1,014.7	1,039.8	—25.1	1,093.5	— 78.8
Inv'ts	1,030.8	1,017.9	+12.9	850.3	+180.5
Total	2,045.5	2,057.7	—12.2	1,943.8	+101.7
Depos.	1,981.0	1,971.3	+9.7	1,864.7	+116.3

An item of interest in this month's statement is an increase in Bank of Canada notes at the expense of deposits. This is the first break in the movement away from the notes and into deposits.

	July, 1935 $	June, 1935 $	Change $	July, 1934 $	Change $
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	6,075,215	5,425,143	+650,072	‡205,775,116	+3,282,664
Bk. of Can. notes	33,065,971	28,384,370	+4,681,601		
Bk. of Can. depos.	169,916,594	172,902,147	—2,985,553		
Bank's cash	209,057,780	206,711,660	+2,346,120	205,775,116	+3,282,664
Other bank notes	6,903,577	7,835,612	—932,035	10,971,299	—4,067,722
Gold abroad	8,336,203	8,593,094	—256,891	9,101,661	—765,458
Foreign banks	110,878,019	101,775,931	+9,102,088	91,723,481	+19,154,538
Foreign curr.	21,327,813	21,022,373	+305,440	20,240,550	+1,087,263
Govt. sec. short term	402,805,899	398,081,280	+4,724,619	358,620,145	+44,185,754
Do., long term	444,676,070	440,659,197	+4,016,873	308,539,780	+136,136,290
Call loans abroad	59,932,745	67,451,245	—7,518,500	98,980,927	—39,048,182
	1,263,918,106	1,252,130,392	+11,787,714	1,103,952,959	+159,965,147
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	98,352,466	97,973,939	+378,527	89,650,847	+8,701,619
Public secs.†	38,279,280	37,887,143	+392,137	48,680,597	—10,401,317
Other secs.	46,671,796	43,316,697	+3,355,099	44,786,906	+1,884,890
Can. call loans	77,037,587	85,237,040	—8,199,453	97,470,100	—20,432,513
Current loans	812,622,893	831,032,518	—18,409,625	850,636,713	—38,003,820
Loans abroad	154,256,166	156,451,423	—2,195,257	137,922,252	+16,333,914
Prov. loans	17,816,145	16,370,291	+1,445,854	23,198,183	—5,382,038
Mun. loans	107,180,515	107,185,510	—4,995	122,189,362	—15,008,847
	1,352,216,848	1,375,454,561	—23,237,713	1,414,534,960	—62,318,112
Other Assets					
Non-curr. loans	14,500,125	14,453,757	+46,368	14,082,407	+417,718
Real estate	8,674,770	8,716,829	—42,059	7,844,868	+829,902
Mortgages	5,463,705	5,454,296	+9,409	5,874,496	—410,791
Premises	76,617,918	76,605,377	+12,541	78,194,071	—1,576,153
Letters of credit	57,968,367	52,650,250	+5,318,117	56,104,788	+1,863,579
Loans to comp.	13,024,731	13,103,301	—78,570	13,271,014	—246,283
Other assets	2,597,430	3,040,427	—443,007	1,661,707	+935,713
	178,847,036	174,024,237	+4,822,799	177,033,351	+1,813,685
Total	2,794,981,990	2,801,609,190	—6,627,200	2,695,521,270	—99,460,720
Note circ. deb.	6,907,025	6,838,034	+68,991	6,744,051	+162,974
Int. bank bal.	89,866,584	101,040,153	—11,173,569	103,747,302	—13,880,718
Gross	2,891,755,712	2,909,487,377	—17,731,778	2,806,012,623	+85,742,976
LIABILITIES					
To the Public					
Circulation	121,264,463	129,572,582	—8,308,119	132,493,947	—11,229,484
Dom. Govt.	16,021,367	32,158,578	—16,137,211	34,938,055	—18,916,688
Prov. Govt.	34,766,014	35,524,294	—758,280	29,225,438	—5,540,575
Bank advances	....	....	......	40,444,000	—40,444,000
Deposits by Public					
Demand dep.	553,011,096	545,412,833	+7,598,263	504,264,418	+48,746,678
Savings dep.	1,427,953,729	1,425,837,190	+2,116,539	1,360,388,772	+67,564,957
Total	1,980,964,825	1,971,250,023	+9,714,802	1,864,653,190	+116,311,635
Foreign dep.	338,250,254	340,947,203	—2,696,949	315,567,213	+22,683,041
Due to Banks Abroad, Etc.					
United Kingdom	12,724,177	15,250,336	—2,526,159	5,140,892	+7,583,285
Foreign	24,025,048	26,648,858	—2,623,810	23,053,030	+972,018
Bills payable	1,345,271	747,474	+597,797	985,342	+359,929
Letters of credit	57,968,367	52,650,250	+5,318,117	56,104,788	+1,863,579
Other liabs.	2,400,566	2,402,809	—2,243	1,896,788	+503,778
Total public liab.	2,589,730,352	2,607,152,407	—17,422,055	2,504,502,683	+85,227,669
Due bet. banks	12,558,533	13,775,087	—1,216,554	11,681,795	+876,736
Liability of Shareholders					
Dividends	2,540,606	802,286	+1,738,320	949,974	+1,590,632
Reserve	132,750,000	132,750,000	....	132,500,000	+250,000
Capital	145,500,000	145,500,000	....	144,500,000	+1,000,000
Gross	2,882,079,491	2,899,979,780	—16,900,299	2,794,134,452	+88,945,039
Credit index*	44.9%	46.1%	—1.2%	50.8%	—5.9%

‡Gold, coin and Dominion notes in Canada.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.
†Other than Canadian.

Sound Investments

THE continued upward trend of electric power sales serves to emphasize the attractiveness of the securities of successful utility companies. No business has shown a more consistent record of growth over a long period than that of production and sale of electric power, and none evidences better prospects for the future.

We recommend the securities of the following companies, which are available on a good yield basis:

British Columbia Power Corporation
Canada Northern Power Corporation
Power Corporation of Canada, Limited
Southern Canada Power Company

NESBITT, THOMSON AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

219

Bank of Canada Weekly Statement

Government interest payments abroad through the Bank of Canada are reflected in last week's statement. Declines in sterling and United States' reserves brought total reserves to the lowest figure since effect was given to gold revaluation early in July. On the other hand government deposits are almost $7 millions lower than a week ago. Both bank deposits and note circulation rose during the week, the former by $1.1 millions and the latter by $1.5 millions. Following the trend of recent weeks, investments moved slightly higher, despite reduced long term holdings.

Balance Sheet

Weeks Ending:	Aug. 28 $	Aug. 21 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	79,912,717	78,405,029
Dep.: Dominion	25,893,068	32,877,616
Banks	182,738,194	182,646,390
Other	593,703	920,923
Total deposits	210,204,966	216,444,929
All other liabs.	858,851	618,288
Total liabilities	295,976,536	300,468,247
Assets		
Reserve: Gold	180,191,154	180,159,888
Silver bullion	1,330,395	1,332,439
Res. in sterling	705,472	1,729,632
Res. in U. S.	6,602,929	10,624,379
Res. elsewhere	8,771	8,805
Total reserve	188,838,722	193,855,144
Subsidiary coin	290,510	338,068
Adv. to govt.	1,246,875	1,248,125
Investments:		
Dom. govt. short	22,324,920	21,654,063
Other Dom. govt.	80,293,115	80,663,142
Total invest.	102,618,035	102,317,205
Premises	119,683	119,683
All other assets	2,862,712	2,590,022
Total assets	295,976,536	300,468,247
Reserve ratio	65.09%	65.75%

Weekly Bank Clearings

	Aug. 29 1935 $	Change yr. ago %	Aug. 22 1935 $
Halifax	1,975,765	9.3	2,076,557
Saint John	1,822,248	3.1	1,866,648
Moncton	724,766	4.5	637,813
Sherbrooke	455,945	3.3	547,519
Quebec	3,348,875	5.8	3,544,556
Montreal	70,473,685	3.1	87,443,019
Ottawa	12,591,532	281.1	13,892,160
Kingston	415,783	3.5	484,486
Peterborough	468,296	5.3	540,989
Toronto	82,592,254	5.5	91,190,818
Hamilton	3,061,244	8.9	3,597,727
Kitchener	940,613	29.8	896,802
Brantford	600,364	6.1	671,541
London	2,271,795	12.7	2,595,487
Chatham	235,688	38.9	341,873
Windsor	1,911,102	9.1	1,859,530
Sarnia	373,598	32.7	473,663
Sudbury	779,003	13.0	711,602
Fort William	484,317	19.3	682,148
Winnipeg	50,433,062	7.0	68,411,934
Brandon	238,298	2.5	312,373
Regina	2,462,852	17.6	3,064,153
Moose Jaw	415,218	6.4	533,890
Saskatoon	1,111,381	12.9	1,361,772
Prince Albert	273,465	23.9	319,742
Edmonton	3,379,939	7.8	3,564,755
Calgary	4,905,464	9.5	5,553,021
Medicine Hat	254,849	27.3	251,769
Lethbridge	426,356	1.3	414,711
N. W'minster	462,444	14.8	518,648
Vancouver	12,315,069	5.2	14,598,669
Victoria	1,114,314	16.9	1,461,590

JULY DECLINE IN BANK DEBITS THREE PER CENT

British Columbia Only Province to Show Gain

Cheques charged to individual bank accounts in July dropped to $2,545 millions from $2,710 millions in the previous month. After seasonal adjustment, this represents a decline of 3.2 per cent. The decrease was general throughout Canada, with the exception of British Columbia which was influenced by a gain of 7 per cent in Vancouver.

Ontario was the next best area, the drop there being but 0.2 per cent despite a fall in Toronto debits of over nine per cent. Quebec was 2.7 per cent below June, the Prairies 3.2 per cent and the Maritimes 9.1 per cent.

Compared with the same month in 1934, debits were down eight per cent. Here again, British Columbia was the only province to register an advance. Ontario and the Prairies had only a slight decline, while the Maritimes were down almost three per cent and Quebec more than eight per cent.

The cumulative total for the first seven months of this year, was $17,761 millions as against $18,210 millions in the corresponding period of 1934. Increases were chalked up by the Maritimes and British Columbia, only. In the other three areas, losses in the larger centres offset gains elsewhere. For instance, only Toronto, Ottawa and Sarnia, of the 13 Ontario centres reported, are lower than to the end of July in 1934. Similarly in the Prairie Provinces, only two of the 10 centres showed declines, but these were sufficient to produce a net decline for the area of nearly five per cent.

The average turnover of bank deposits in July was 1.29 times, compared with 1.49 times in July last year. An increase of 6.5 per cent was shown in deposits.

Bank Debits to Individual Accounts

Clearing Centres:	July, 1935 $	July, 1934 $
Maritimes:		
Halifax	29,096,286	30,816,790
Moncton	7,868,243	7,213,814
Saint John	14,540,660	14,955,398
Total—Maritimes	51,505,189	52,986,002
Quebec:		
Montreal	685,684,148	744,057,714
Quebec	48,601,772	55,742,538
Sherbrooke	5,230,024	5,514,353
Total—Quebec	739,515,944	805,314,605
Ontario:		
Brantford	9,292,349	7,404,856
Chatham	6,999,444	4,921,467
Fort William	3,934,777	4,192,025
Hamilton	46,777,283	43,213,921
Kingston	4,785,901	4,212,016
Kitchener	9,581,603	8,784,436
London	31,499,804	26,657,466
Ottawa	129,844,531	149,134,783
Peterborough	6,530,452	4,947,606
Sarnia	6,360,283	6,576,695
Sudbury	4,514,373	4,431,985
Toronto	838,324,467	839,676,253
Windsor	20,003,128	16,975,640
Total—Ontario	1,118,488,395	1,121,129,149
Prairie Provinces:		
Brandon	1,967,872	2,608,310
Calgary	49,074,370	52,273,054
Edmonton	33,692,779	32,110,971
Lethbridge	4,570,164	3,257,330
Medicine Hat	2,186,952	2,040,698
Moose Jaw	4,560,200	4,376,286
Prince Albert	2,219,159	1,616,821
Regina	39,487,522	32,861,894
Saskatoon	9,560,084	8,593,630
Winnipeg	344,649,111	507,164,720
Total—Prairies	491,968,213	646,903,714
British Columbia:		
New W'minster	5,392,522	4,799,703
Vancouver	113,736,055	114,694,670
Victoria	24,535,551	21,572,435
Total—B. C.	143,664,128	141,066,808
Total—Canada	2,545,101,869	2,767,400,278

Pacific Grain

Grain shipments through Vancouver to July 31, 1935, for the crop year totalled 51,895,844 bushels as compared with 50,166,342 bushels a year ago.

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Sept. 2
U. S. dollar, High	.5906	1.00 1/32	1.00¼	1.00⅜	1.00⅝	1.00 1/16	Holiday
Low	.5906	1.00 1/16	1.00 1/32	1.00 1/32	1.00 11/32	1.00 1/16	"
1934, High	.5906	.97 15/16	.97 1/32	.97¼	.97 1/32	.97 13/16	"
Low	.5906	.97⅛	.97 1/32	.97⅛	.97⅛	.97 1/16	"
U. K. pound	4.8665	4.99	4.99	4.99¼	4.99	4.98¾	"
Argentina	.4246	.2693	.2694	.2698	.2701	.2703	"
Australia	4.8665	3.9837	3.9850	3.9870	3.9848	3.9853	"
Austria	.1407	.1906	.1907	.1908½	.1910	.1909½	"
Belgium	.1392	.1691¾	.1693	.1692¾	.1692	.1691	"
Brazil	.1963	.0536	.0533	.0531¾	.0532½	.0532	"
Czechoslovakia	.0296	.0416½	.0416¾	.0417	.0417	.0416¾	"
Denmark	.2680	.2230	.2229	.2228½	.2229	.2229	"
France	.0392	.0664	.0665	.0664	.0664	.0663¼	"
Germany	.2382	.4036¾	.4039	.4041¾	.4046	.4041	"
Greece	.013	.0095½	.0095½	.0095¼	.0095½	.0095½	"
Holland	.4020	.6795¾	.6797	.6804	.6807¾	.6804½	"
Hungary	.1749	.2986½	.2982	.2985	.2990	.2984¾	"
India	.3650	.3798	.3797½	.3801	.3804	.3799	"
Italy	.0526	.0819¾	.0820½	.0822	.0823	.0820½	"
Japan	.4985	.2951½	.2952	.2955	.2955¾	.2955	"
Jugoslavia	.1929	.0231	.0231¼	.0231½	.0231	.0231	"
New Zealand	4.8665	4.0238	4.0251	4.0271	4.0250	4.0255	"
Norway	.2680	.2509	.2509	.2508½	.2508	.2508	"
Poland	.1122	.1906	.1907	.1909	.1908	.1910	"
South Africa	4.8666	4.9647	4.9662	4.9686	4.9661	4.9667	"
Spain	.1929	.1376	.1376	.1376	.1377	.1375	"
Sweden	.2680	.2575½	.2574	.2574¾	.2575	.2575	"
Switzerland	.1930	3277	.3278	.3275	.3278	.3277	"
Hong Kong	.5422	.4975¾	.4947	.4952	.4944½	.4945	"

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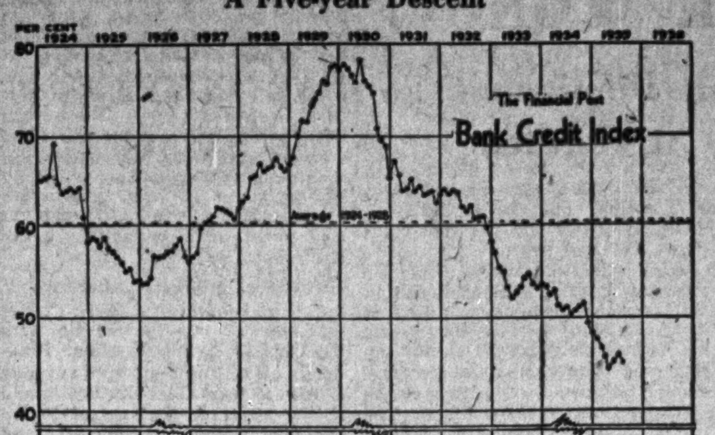
A Five-year Descent



The Financial Post credit index, based on the percentage of call and current loans in Canada to total Canadian deposits, dropped back to 44.9 in July. With the exception of April of this year this is a record low. The chart clearly illustrates the trend away from loans over the past five years, limiting the field for employment of bank funds to lower interest bearing investment.

Power Corp. Group Output Larger in July

From Our Own Correspondent

MONTREAL.—Controlled and affiliated companies of Power Corp. of Canada report an increase of 17 per cent in power output during July as compared with the same month a year ago. All the companies, with the exception of Northern British Columbia Power, shared in the improvement.

The combined output of the group for the past month was 155.3 million kw.h. This compares with 132.6 million kw.h. in July, 1934. Details of the returns follow:

	1934 kw.h.	1935 kw.h.
Southern Canada	12,408,270	15,251,120
Canada Northern	44,349,956	48,293,351
East Kootenay	5,331,592	6,700,404
B. C. Power	34,917,953	37,559,345
Northern B. C.	947,430	855,952
Winnipeg Electric	16,600,500	17,594,000
Manitoba Power	18,020,000	28,997,000
Nor'western Power	77,700	84,400
Totals	132,653,401	155,335,572

Railway Earnings

Canadian Pacific Railway

July:	1935 $	1934 $	Inc. $
Gross	11,129,567	10,716,853	412,713
Exp.	9,603,385	9,205,371	398,013
Net	1,526,181	1,511,481	14,699
Seven months:			
Gross	67,658,191	67,927,533	*269,341
Exp.	60,069,991	58,361,639	1,708,352
Net	7,588,200	9,565,894	*1,977,694

*Decrease.

Public Utility Earnings

Barcelona Traction

July	1935 Pesetas	1934 Pesetas	Increase Pesetas
Gross earn.	9,350,461	8,737,404	613,057
Oper. exp.	3,453,173	3,325,447	127,726
Net earn.	5,897,288	5,411,957	485,331
7 Mos. End. July 31			
Gross earn.	70,641,679	67,772,553	2,869,126
Oper. exp.	26,024,577	24,266,582	1,757,995
Net earn.	44,617,102	43,505,971	1,111,131

B. C. Power Corp.

June	1935 $	1934 $	Increase $
Gross earn.	1,044,809	1,008,509	36,300
Oper. exp.	756,748	682,306	74,442
Net earn.	288,061	326,203	*38,142
12 Mos. end. June			
Gross earn.	13,008,332	12,609,703	398,629
Net earn.	4,174,434	4,188,330	*13,896

* Decrease.

Jamaica Public Service

July	1935 $	1934 $
Gross earn.	69,088	67,651
Net earn.	26,306	26,984
Surplus after charges	17,876	17,894
12 Mos. end. July 31		
Gross earn.	842,576	817,189
Net earn.	342,512	332,594
Surplus after charges	236,003	219,852

The above figures converted from £ sterling at the rate of $4.86-2/3 to the £.

BEAUHARNOIS CO. SEEKS REMAINDER WATER DIVERSION

Asks Ottawa Approve Diverting 18,000 c.s.f. to Complete Development

From Our Own Correspondent

MONTREAL.—Beauharnois Light, Heat and Power Co. has made formal application to the Federal Government for taking on October 1 next, 53,000 cubic second feet, the maximum flow of water from the St. Lawrence River as provided in the agreement. This maximum flow is necessary to enable the company to complete the installation of the balance of the generating units, so that the company can fulfill its contracts with the Montreal Light, Heat and Power Cons. and Ontario Hydro.

This application has no particular bearing on the present dispute between the Ontario Government and the Quebec companies over the Ontario Hydro contracts. It is carried out as a routine matter.

Complete Remedial Works

Federal approval of the additional diversion of 18,000 cubic second feet, to bring the total flow up to a maximum of 53,000, is, as in all the previous cases, conditional upon the power company completing certain remedial works to preserve the levels in the channel of the St. Lawrence River. When the Dominion Government has satisfied itself that the remedial works programme has been completed, approval of the 18,000 cubic second feet will be granted.

The Quebec Government at the outset gave the Beauharnois company power to divert the 40,000 cubic second feet, the other 13,000 being acquired with the Robert lease, the Dominion Government gives consent if and when the channel is safeguarded.

Progress

Progress of industry and trade during the current year and factors affecting the present financial outlook are reviewed in our September Review and Bond List.

Canadian Government, Municipal and Corporation bonds are offered in this booklet. A wide range is provided to enable a selection suitable to individual investment requirements.

Copy of September Review and Bond List will be gladly forwarded upon request.

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More Customers

Increases in the value of wholesale sales in 1934 over 1933 are shown in every kind of business specified. The gains range from 4.6 per cent for drugs and sundries to 43.9 per cent for metals and metal work. The construction group — lumber, plumbing, machinery and electrical—shows the largest gains, ranging from 35.9 per cent to 24.6 per cent.

Development

Developing business along sound, constructive lines has always been a fundamental principle of the policies directing the affairs of this bank.

Its resources are now, as in the past, available to assist the legitimate demands of the commercial and agricultural interests of Canada.

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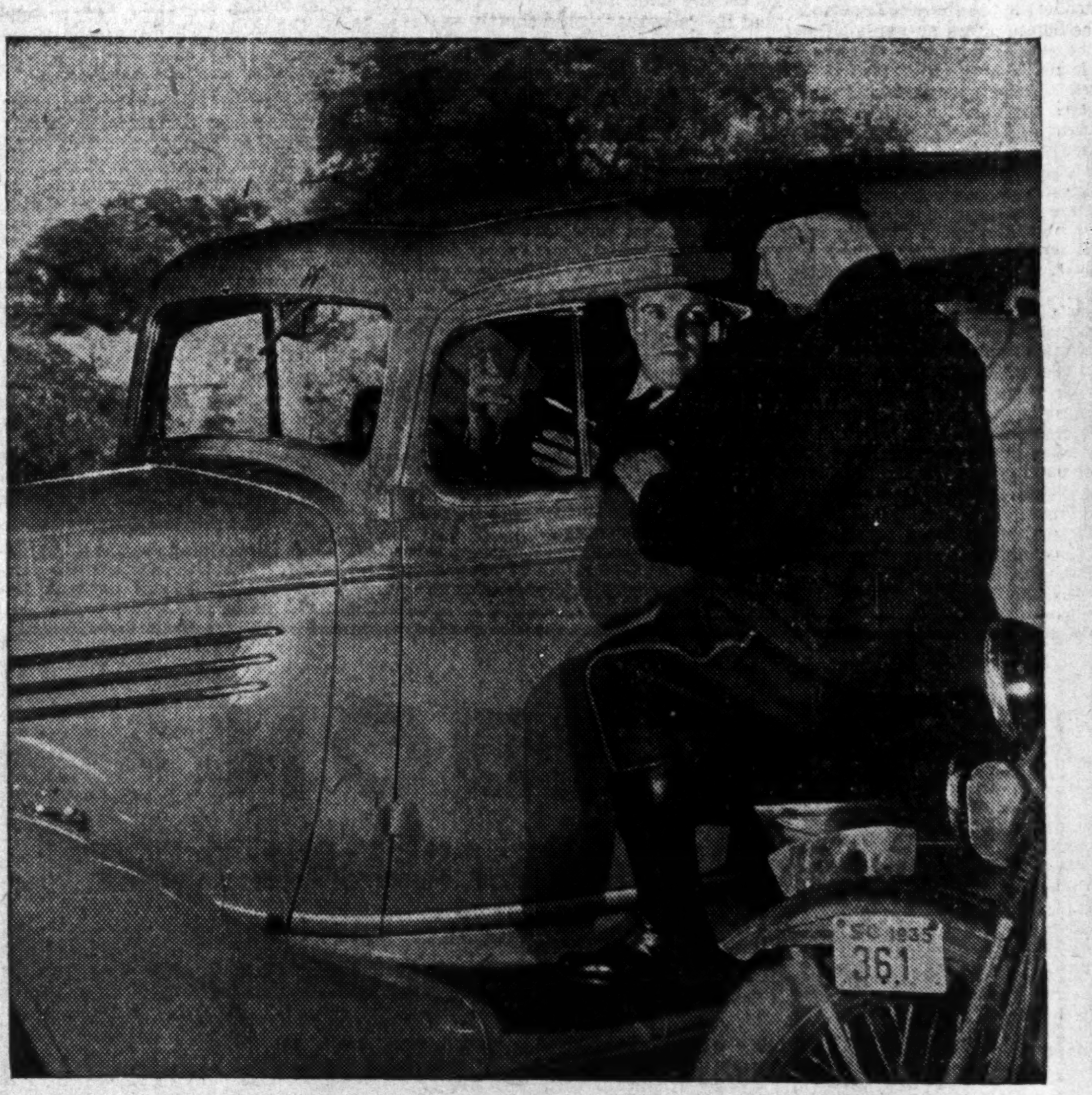

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THE BELL TELEPHONE COMPANY OF CANADA

MOVES OF BONDS CHIEFLY CONSIST OF CORRECTIONS

Gilt-edged Issues Soft — Westerns and Industrials Erratic

Changes in Canadian bond prices in the week ended September 3 consisted chiefly of corrections of quotations of the preceding week which in some instances had become largely "nominal."

Softness continued to rule in the gilt-edged market with the result that The Financial Post's daily average records new high yields and new low prices for this year.

While last week it was impossible to get more than nominal bids for some western provincial and Alberta municipal bonds, quotations have become more exact. It is still only possible to do business in Alberta securities by delicate manoeuvering in small amounts. Bids for Alberta issues have been marked down in most cases, due, of course, to loss of faith because of election of the Aberhart Social Credit government. The chart on this page depicts this year's softness of Alberta bonds.

Hydro Issues Recover

Power issues concerned in the Hydro contract repudiation had gains in the week. Maclaren-Quebec 5½'s were up four points on the bid side of the market. This seems the normal action of the Hydro-affected issues. Upon each fresh scare, bids vanish. In a few days, recovery occurs as pressure of offerings relaxes. Little actual trading in the bonds seems to occur while the scare is on.

Trend of the gilt-edged market is indicated below:

Average Yield and Price for Seven High Grade Canadian Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Sept. 3	3.640	111.61	Sept. 1	3.740	111.03
Aug. 31	3.637	111.54	Aug. 31	3.740	111.03
Aug. 30	3.637	111.54	Aug. 30	3.741	111.01
Aug. 29	3.629	111.63	Aug. 29	3.736	111.06
Aug. 28	3.609	111.81	Aug. 28	3.751	110.97
Aug. 27	3.590	111.95	Aug. 27	3.751	110.97
Aug. 26	3.570	112.14	Aug. 25	3.751	110.97
Aug. 1	3.480	113.11	Aug. 1	3.806	110.46
Year's	3.367	114.97	Year's	3.373	115.00
Range	3.640	111.54	Range	4.517	102.54

U. S. BIG BUYER CAN. SECURITIES, BRITAIN SELLS

Renewed Flow of U. S. Funds Offsets British Withdrawals

Flow of American money into Canadian securities this year has more than compensated the drying-up of the 1934 influx of British capital.

Sales of Canadian securities to outside investors brought $26.7 millions, net, into this country in the first six months of 1935, according to the Dominion Bureau of Statistics. This compares with a net inflow of $31.4 millions in the first half of 1934 and $30 millions in the same 1933 period.

The Bureau offers no explanation for the reversal of the flow of securities from Great Britain to the United States. Canadian investment firms, however, attribute the change to investment sentiment. British faith in Canadian securities, they say, has been undermined by threats of repudiation. American investors, however, are again "bullish on Canada."

The Bureau's figures on international purchases and sales of Canadian securities are the first of their kind to be published. Report of June dealings is the second ever issued. The figures are compiled from records of Canadian banks, bond dealers and stock exchanges.

Volume Reduced

Volume of sales of securities to, and purchases from, outsiders has been lower in 1935 than in 1934, but above the 1933 level. To the end of June total sales and purchases were $237.1 millions this year, against $325.4 millions in the 1934 period and $184.4 millions in the first half of 1933. Net sales of securities to outsiders, and gross purchases and sales, were:

Sales of Canadian Securities Abroad

	Purchases $000's	Sales $000's	Net sales $000's
Month of June			
1935	10,516	18,071	7,555
1934	19,845	27,980	8,135
1933	20,954	33,442	12,488
Six Months to June 30			
1935	105,173	131,912	26,739
1934	146,983	178,413	31,430
1933	77,196	107,197	30,001

U.S. Big Buyer

While Canada has continued to sell securities to outsiders, Uncle Sam has taken the rôle of best customer played in 1934 by John Bull. Canada has been importing a substantial volume of securities from Britain this year whereas in 1934 it exported them to the United Kingdom. This reversal of the 1934 experience marks a return to the 1933 results. This is shown below:

Where Canadian Securities Were Sold

	Net sales to U.S.A. $000's	Net sales Britain $000's	Net sales Elsewhere $000's
Month of June			
1935	7,861	*407	101
1934	1,020	7,836	*721
1933	12,350	456	*318

*Net purchases by Canada.

	Net sales to U.S.A. $000's	Net sales Britain $000's	Net sales Elsewhere $000's
Six Months to June 30			
1935	38,516	*9,697	*2,078
1934	*30,382	62,311	*499
1933	33,575	*1,555	*2,019

*Net purchases by Canada.

Exchange Influence

The low level of the Canadian dollar and the U.S. inflation scare contributed to American purchases of Canadian securities in 1933. With the rise of sterling against the Canadian dollar, British money was attracted to Canadian bonds in 1934. This year both sterling and the dollar have been stable in Canada. Hence, the return of American money into Canadian securities, and the cessation of British investment here, are not attributable to the influence of exchange rates.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Belding-Cort. ...	5%	1936	Nov. 1	105
Can. Cons. Felt	†6%	1940	Oct. 1	105
Nat. Cement	7%	serial	Nov. 1	102
Dom. Canners ..	*6%	1940	Oct. 1	110
Amer. Salesbook	6%	1939	Oct. 1	102½
Can. N. Rlys. ...	4½%	1954	Sept. 15	102
Ont. Steel Prod.	•6%	1943	Dec. 1	110

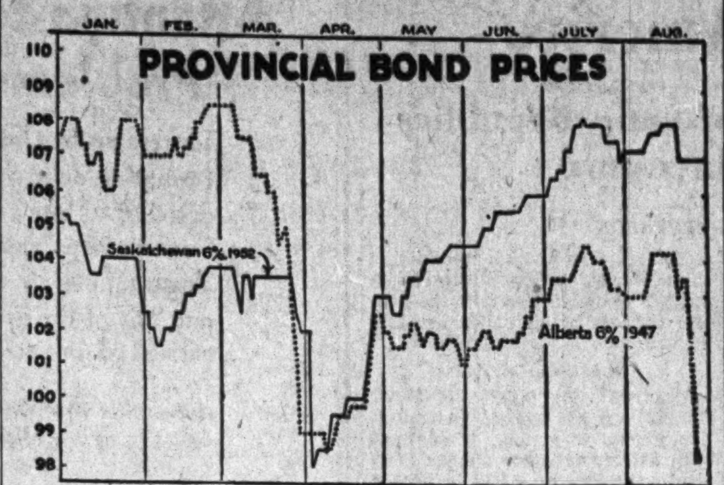
For sinking fund: †$65,000. *$62,600. •$23,900.

Stock Issues:	Rate	Stock	Date	Price
Inter. Milling ..	7%	Pref.	Oct. 15	*110
Do.	6%	A Pref.	Oct. 15	†107

*Plus accrued dividends of 88 cents per share.

†Plus accrued dividends of 75 cents per share.

Social Credit Hurts Alberta Bonds



This year Alberta bonds have been weakened by the effects of the Social Credit campaign which culminated in election of the Aberhart party last week. This is revealed by the above comparison of movements of similar Saskatchewan and Alberta bonds. It is based on a graph by A. E. Ames & Co., Toronto. The big slump in Alberta bonds came when the Social Credit campaign was gathering force. While Alberta bonds have deteriorated in price, Saskatchewan issues have advanced. Except for the Social Credit issue, there have been no peculiar factors affecting Alberta issues more adversely than Saskatchewan bonds.

Investment Notes

Buys Twin City

PURCHASE of 100 shares of Twin City Rapid Transit common is reported to U. S. authorities by company director W. O. Washburn. This brought his holdings up to 376 common shares.

* * *

Walkers Common For Preferred

LEIGH M. McCARTHY, director Hiram Walker-G. & W., sold 500 shares of Walker's common stock in July reducing his holdings to 500 shares, according to the U. S. Securities and Exchange Commission. In the same month, he bought 200 shares of the preferred stock. The 200 preferred shares were his only holdings of this class of stock at the end of July.

* * *

Comment of Brokers

MR. McCARTHY is a partner in the Toronto Stock Exchange firm of Mara & McCarthy. This firm, in a new booklet, "Twenty Outstanding Stocks," says of Walker's preferred:

"The shares are in a strong position as regards safety of return. The probability of the stock being eventually called at $20 a share is an added attractive feature. This, however, is not likely to take place in the immediate future as all available funds at present are being used to strengthen the company's financial and marketing position in the United States. With a yield of over 5½ per cent, the (preferred) stock is attractive as an investment."

The booklet does not comment on Walker's common.

* * *

Canadian Car

FOR months, and even years, the stocks of Canadian Car have moved up and down on the rumor that the railways "would shortly enter the market." Or maybe it was a "new development" in Car's war claims. Up would go the preferred and common stocks and then when nothing happened, the stocks would settle back. The old horse "rumor" was brought out of the stable so often that investors, and even speculators, had about given up hope that they were going to get a run for their money. Then the railways finally came through with equipment orders, of which the largest share went to Canadian Car. There was no rush to buy — rather the common stock dropped off in value, while the preferred is selling at only a point and a quarter above its low for the year. In other days the orders received would have been sufficient to move up both the common and preferred stocks several points.

* * *

Stocks Recommended

FOLLOWING are brief excerpts of opinions in "Twenty Outstanding Stocks:"

Bell Telephone: "Appears attractive as a long-term investment medium."

B. A. Oil: "The shares give a reasonable return and have moderate appreciation possibilities."

Canada Malting: "The shares offer a reasonable yield as well as attractive appreciation possibilities."

Cons. Smelters: "Current price discounts much of earnings improvement. Long-term outlook is promising and the stock affords a satisfactory speculation for those interested in the future of the base metals."

Dominion Bridge: "Offers interesting possibilities for the long pull."

Fanny Farmer: "The stock offers a reasonable yield as well as good appreciation possibilities."

Ford of Canada A: "Shares seem reasonably priced on the basis of prospective earnings."

Goodyear Tire common: "The stock is considered one of the most desirable Canadian investments."

Imperial Oil: "One of Canada's highest grade investment mediums."

Imperial Tobacco: "Stability of earning power and the company's outstanding trade position make the stock attractive."

International Nickel: "While current price appears to discount earnings improvement...has always sold on a low yield basis and is generally considered one of Canada's most attractive long-term speculations."

International Petroleum: "Operating outlook appears distinctly bright...Huge resources of crude oil make the stock an exceptionally attractive hedge against inflation."

Loblaw A: "An investment security of merit...rapid market appreciation, however, is not probable."

Moore Corp. common: "Has interesting long-term possibilities."

Noranda Mines: "In many respects, the stock is an ideal investment under present uncertain conditions."

Page-Hersey: "An attractive speculation on improvement in the heavy industries."

Steel of Canada common: "An excellent investment for those who believe that a period of industrial growth lies immediately ahead."

* * *

Royalite Slump

SLUMP of Royalite shares below $20 each is attributed entirely to the possible adverse effects of election of the Aberhart Social Credit government in Alberta. The company's stock has stood around $25 a share for some months. This represented a substantial advance over the teen-level of a year or more ago. The higher price which recently prevailed for the shares was predicated upon successful operation of absorption plants. These have tended to stabilize and improve earnings. There is no telling, however, what the Social Credit government may try to do with Alberta's oil fields upon which Royalite is dependent. Meanwhile Royalite is earning profits.

* * *

Montreal Tramways

NEVER a spectacular stock from a market point of view, Montreal Tramways' common has quietly moved up this year from a low of 84 to a high of 98 and is currently selling at 94. The decline in the earnings of the Montreal Tramways Commission over the past three years had given rise to widespread uneasiness that the commission would not be able to meet in full the payments due to the company under contract. Actually the commission has failed in the past two years to cover all its obligations and in 1934 had a balance owing to the company. Income of the company, however, has been sufficient to cover dividends and the "scare" has died down. The higher values obtaining for Tramway common, on the other hand, may be due in part to the $9 dividend, which, even at current levels, is far higher than can be obtained on other common stocks, whose record does not bear comparison with that of the Montreal traction enterprise.

* * *

Winnipeg Bread War

NEWS that the Manitoba government may intervene in the recent Winnipeg bread price war is of interest to investors chiefly from the point of view of Canada Bread Co. and Inter-City Western Bakeries. The latter firm's bond interest is in default, and cessation of the Winnipeg price war would simply tend to lessen the blows of adversity.

Canada Bread Co. has found its Winnipeg investment a loser. If the Manitoba government can stop the price-cutting under the Unfair Trade Practices Act, this would be of some assistance to operations of Canada Bread in the western city. The company's chief problem in Winnipeg, however, is that it owns vacant land which so far has been nothing but a drain.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	109.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	128.1	99.6	130.8	43.8	88.8
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
Weekly Figures, 1935:										
Aug. 1	123.0	10.9	58.3	206.2	67.4	126.6	117.1	143.7	45.3	95.4
Aug. 8	123.0	11.4	58.4	206.3	67.0	129.8	119.4	144.0	45.7	95.9
Aug. 15	124.7	10.5	58.4	208.3	65.9	130.8	125.4	146.3	48.3	98.6
Aug. 22	123.9	12.3	59.8	212.2	66.2	130.6	123.6	147.5	48.2	99.5
Aug. 29	118.3	11.7	60.2	211.6	64.2	128.6	121.4	146.3	47.3	98.1

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Sept. 3	109.28	101.32	91.93
Holiday	.....	.....	....
Aug. 31	109.46	100.27	91.78
Aug. 30	109.37	99.98	91.59
Aug. 29	109.15	100.21	92.85
Aug. 28	109.09	100.38	93.83
Month ago ..	100.03	101.75	92.98
Year ago	98.71	129.52	90.50
High, 1935 ..	114.74	123.68	103.99
Low, 1935 ...	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Sept. 3	61.1	58.2	59.2
Holiday	...	...	...
Aug. 31	61.1	58.1	59.1
Aug. 30	61.0	57.9	58.9
Aug. 29	61.1	57.9	58.9
Aug. 28	61.4	57.8	59.0
Month ago	61.5	58.9	59.7
Year ago	63.6	55.6	58.3
High, 1935 ...	64.2	63.1	63.0
Low, 1935 ...	56.1	56.0	56.7

PROPOSE TO CUT MEDICAL-DENTAL BOND INTEREST

Bondholders Vancouver Properties Consider Plan Sept. 12

Proposals for reorganization of the capital of Vancouver Properties Ltd., Vancouver, are to be voted on by bondholders at a meeting in Vancouver on September 12. The company owns and operates the Medical-Dental Bldg., Vancouver.

The plan has been presented to bondholders by F. Freer Brock, chairman of the bondholders' committee and has the approval of Blyth & Co. and Pemberton & Son, which firms originally underwrote the bonds.

Investment interest is centred in the $984,000 of 6 per cent first mortgage bonds. It is proposed to reduce the interest rate on these from Aug. 16, 1935, as follows: to four per cent until bonds are reduced to $750,000; to 4½ per cent until bonds have been reduced to $500,000; thereafter to five per cent.

Bonds and Stock

The plan proposes reduction of the outstanding capital from 1,000 preferred shares and 6,694 ordinary shares of $100 each to 5,248 ordinary shares of $100 each. It is proposed to issue two shares to each $1,000 bond. This would give bondholders 37½ per cent of the entire outstanding capital stock.

The reorganization scheme proposes to cancel bond interest coupons due Aug. 15, 1934, and Feb. 15, 1935. On Sept. 15, 1935, the company would be required to pay interest due Aug. 15, 1935, and to meet scrip outstanding on the bonds with interest from Aug. 15, 1932.

Sinking Fund

The aim of the plan is to hold interest charges within earning capacity. Surplus earnings would go into sinking fund. From Jan. 1, 1936, it is proposed to apply annual net earnings of $60,257, before depreciation, first to interest and second to sinking fund. This until bonds are cut to $750,000. Then the annual amount to be applied first to interest, then to sinking fund, would be $66,968.

Bond Tenders

Prince Edward Island, 12 noon, Sept. 6—$200,000, 3 per cent for 5, 10 or 15-year maturities, dated Oct. 1, to pay for public works. P. S. Fielding, dep. prov. treasurer.

Westmount, Sept. 17.—$220,000 3½ per cent serial debentures, dated May 1, 1935, maturing 1936 to 1975.

Bond Sales Up to $300,000,000 For 8 Months

Bond sales in Canada for August totalled $97.7 millions, according to Dominion Securities Corp., Toronto. This compilation omits short-term treasury bill financing of the Dominion Government which tends to exaggerate the total of financing.

Most of the financing in Canada for the first eight months of 1935 has consisted of refunding outstanding debt at lower rates of interest. It does not represent new borrowing except to a minor extent. The eight months total is $300 millions, against $214.7 millions in the same months of 1934.

Comparison follows:

Bond Sales to Aug. 31

Borrower:	1935 $	1934 $
Dominion	136,000,000	48,666,666
Provincial	67,305,000	109,800,000
Municipal	25,076,213	13,315,778
Public utility	4,438,000	25,481,100
Railway	48,400,000	12,000,000
Indus. and Misc. ...	18,778,600	5,431,596
Total	299,997,813	214,695,140

Offer $475,000 4% Bonds on St. Michael's Hospital

An issue of $475,000 of four per cent first mortgage bonds of the Sisters of St. Joseph for the Diocese of Toronto is being offered by Dominion Securities Corp., Toronto, at prices to yield 4.15 to 4.25 per cent.

The bonds mature serially from 1940 to 1954. Purpose of the issue is chiefly to refund $435,200 of 5½ per cent bonds now outstanding. The total issue is for $750,000 and additional bonds may be issued to pay for construction and additions to St. Michael's Hospital, Toronto. The bonds are a first mortgage on the Bond Street section of the hospital which has had revenues more than sufficient to meet interest charges and capital undertakings.

Industrial Stocks Active on Montreal's Exchanges

From Our Own Correspondent

MONTREAL.—Turnover of industrial stocks on the Montreal Stock Exchange and the Montreal Curb Market during August showed a gain of 131,799 shares over July, and was 148,941 shares higher than in August a year ago, according to figures issued by the exchanges.

Total industrial volume for the month was 515,511 shares. This compares with 383,712 shares in July and 366,570 shares in August, 1934. The volume of mines traded in August was lower at 656,466 shares as against 1,032,720 in July and 1,347,769 in August last year.

September Security Yield $460,000 Below Last Year

Both Dividend and Interest Totals Show Decrease — Mines and Banks Feature List With Heavy Dividend Payments

September dividend and interest payments by Canadian companies will enrich investors by $33.2 millions, according to a compilation of The Financial Post. This figure, which is comprised of dividend payments by 39 companies and bond interest by 40 companies, is a decrease of approximately $460,000 from the same month last year.

Both classifications registered declines but that of dividends was relatively small. The bond interest total was adversely affected by removal from the list of Canadian Northern Ontario Ry. four per cent debenture stock and through refunding by Dominion Textile at a lower interest rate.

Outstanding among factors affecting dividend payments is the increase of $729,000 by International Nickel over that paid in 1934. There are also a number of additions to last September's list; Anglo Canadian Telephone, Biltmore Hats and Crows Nest Pass Coal are among those not included a year ago. On the other hand Falconbridge Nickel is currently paying 7½ cents as against 10, Hollinger's total has been halved, and some other companies, notably National Grocers which made two payments on arrears in Sept., 1934, and South American Gold, are not paying this month.

Mines and banks will contribute the bulk of payments to shareholders. Mining alone, led by International Nickel with $3 millions and Lake Shore with $2 millions, accounts for approximately half the total.

The only bonuses of the month will be paid by Agnew Surpass Shoe Stores and Lake Shore Mines. Both are equivalent to an additional payment at the regular rate.

Summary of Payments

	1935 $	1934 $
Dividends	12,315,185	12,336,136
Bond interest	20,866,816	21,305,314
Total	33,182,001	33,641,450

Dividend Payments

Company	Rate $	Date	Amount $
Acme Glove, pfd.	81¼q	16	7,284
Agnew Surpass	.20s	2	15,904
Do., bonus	.20	2	15,904
Anglo-Can Tel. A	.12½q	3	15,750
Do., B	.10q	4	59,410
Bk. Can. Nationale ...	2q	1	140,000
Bk. of Montreal	2q	3	720,000
Bk. of Toronto	2.50q	3	150,000
Belding Cort. pfd.	1.75q	14	15,142
Biltmore Hats	1.75q	14	33,960
Bright T. G. pfd.	1.50q	14	11,658
Do., com.	.7½cq	14	7,500
Can. Vinegars	.40q	3	36,800
Can. Bk. of Com.	2q	1	600,000
Can. Hyd. Elec. 1st pfd.	1.50q	2	187,500
Can. Malting	.37½q	14	745,746
Corrugated P. Box, pf.	1.75q	1	13,710
Crow's Nest P. Coal ..	....	14	124,252
Dom. Scott Inv. pf. ..	.25q	1	14,925
Falconbridge Nickel ..	7½c	27	249,132
Ham. Un. Theat. pf. ..	1.00q	30	7,879
Hollinger Cons.	.05	9	246,000
Inter. Milling, pf.	1.75q	3	58,656
Do., pref. A	1.50q	3	13,018
Inter. Mining	.15	20	60,000
Imp. Tobacco, pfd.	3%s	30	240,900
Do., com.	1¼%q	30	828,965
Inter. Nickel, c.	.20q	30	2,916,805
Lake Shore Mines	.50q	16	1,000,000
Do., bonus	.50	16	1,000,000
Loblaw A & B	.25q	3	207,657
McColl-Fron. c.	.20q	14	110,000
McIntyre Porc.	.50q	2	399,000
McL. McFeeley A	.10q	30	5,957
Do., B	.10q	30	5,684
Montreal Cottons, pfd.	1.75q	15	52,500
Mont. Loan & Mtge.	.62½q	15	15,000
New Meth. Ldy. pf.	1.62½q	1	4,062
N. S. Light & Pr. p.	1.50q	3	18,750
Ogilvie Flour, pf. ...	1.75q	3	35,000
Ont. Silknit	1.75	15	17,500
Prov. Bank	1.50	1	60,000
Photo Engravers	.50s	3	15,000
Reliance Grain, pf. ...	1.62½q	14	32,500
Rolland Paper, pf. ...	1.50q	2	22,500
Royal Bank	2q	3	700,000
Siscoe Gold	.05q	16	230,303
Sylvanite G.	.05q	30	164,975
United Grain Gr.	1.00	2	788,593
Walker-Good. pfd. ...	.25q	14	115,204
			12,315,185

Bond Interest Due September

Company:	Rate	Date	Due	Amount $
Adel. Shep. Bldg. ..	5	15	1948	18,477
Atlantic Util. A	5	1	1963	12,500
Acadia Apts.	•6½	1	1939	25,899
Ancroft Place	*6½	1	1946	9,409
Bawlf Ter. Elev. ...	5½	1	Serial	5,362
Bell Tele., A	5	1	1955	750,000
Bloor St. Geo. Realty Co.	7	15	1946	16,695
Brit. Amer. Oil	5	1	1945	107,087
Brit. Amer. Oil	4	1	1945	80,000
B. C. Elec. deb. stk.	4½	30	Perp.	287,355
B. C. Power, A	5½	1	1960	275,000
Do., B	5	1	1960	100,000
Can. Bakeries	6½	1	1945	21,118
Can. Nat. Rlys.†	4½	15	1954	585,000
Do., ...	4½	1	1951	1,125,000
Can. Nor. Ont. 1st mtge.	3½	30	1936	137,547
Do., deb. stk.	3	30	1953	140,398
Can. Pac. Rly.	4½	1	1946	450,000
Do., convert.	6	15	1942	375,000
Dom. Textile	4½	1	1955	101,250
Garment C. Capitol	6½	1	1942	17,979
Gt. West. Sadd.	6	1	1948	16,650
Gypsum, Lime, Ala.	5½	1	1948	96,930
Hillcrest Coll.	5	1	1940	8,125
Hotel Victoria	6	1	1949	7,362
Inter. Power	6½	1	1957	97,500
Int. Pwr. gold deb. ..	6	1	1957	60,000
Lindsay, C. W.	6	1	1958	15,000
Mersey Paper, A	6	1	1949	57,990
Mtl. L. H. & P., B* ...	5	1	1970	289,112
Northern Tele.	6	1	1948	4,740
N. B. Power	5	1	1937	42,875
Ontario Bldg.	3½	1	1943	14,000
Peel St. Rlts.	6½	1	Serial	16,006
Power Corp., B	4½	1	1959	198,393
Prov. L. Heat	5	1	1946	19,200
Stand. Lime	6	1	1944	15,930
Ritchie Cut Stone ..	6½	1	1948	1,722
Robin, J. & Whit. ...	6	1	1950	5,400
Silverwood's	7	1	1937	4,336
Toronto Carpet, A ..	6	1	1944	20,985
Trail Apts.	6	1	1947	870
Un. Amuse., A	6	1	1942	35,583
Viceroy Mfg.	6½	1	1950	8,385
West Koot. Pr. A	5	1	1956	158,250
Corporation bonds				5,736,970
Municipal				2,257,384
Provincial				4,202,913
Dominion				8,568,299
Total				20,866,816

*Coupon No. 16 due Sept. 1, 1934.

*Called for redemption Sept. 1, 1935.

†Called Sept. 15, 1935.

•Coupon No. 18 due Sept. 1, 1933.

Company Earnings

National Light & Power

National Light and Power Co., Moose Jaw, improved its earnings chiefly by reducing operating expenses in the seven months ended July 31, 1935. This is revealed in a summary of earnings issued by McLeod, Young, Weir and Co. The company has not issued an official report for the first half of 1935. While gross earnings showed only minor improvement and kilowatt hour output was actually somewhat lower than for the first seven months of 1934, operating expenses were reduced $15,000 in comparison with the 1934 period.

This effected an increase of some $15,000 in net earnings. The result was that, after depreciation, bond interest was earned 1.82 times in the period, compared with 1.63 times in the 1934 period.

Income Account Seven Months Ended July 31

	1935 $	1934 $
Gross earnings	278,318	277,788
Operating expenses ..	120,523	135,585
Net earnings	157,795	142,203
Less: Depreciation ...	13,916	13,889
Property taxes	15,731	15,457
Bond interest	72,076	70,000
Add: Misc. earnings .	2,522	1,549
Net profit*	58,954	44,406
Kw.h. output	11,301,600	11,307,928

* Before allowance for income tax and not including the cost of steam.

Blue Ribbon Corp.

Owing to a contraction of nearly $52,000 in operating profit, Blue Ribbon Corp. fell short by $196 of covering the partial dividend of $2 a share on the preferred stock in the year ended June 30, 1935. Full dividend rate is $3.25 a share, and arrears now total $4.50 on each preferred share.

Income and Surplus Account Years Ended June 30

	1935 $	1934 $
Operating profit	102,756	154,589
Less: Depreciation	31,211	30,000
Inc. tax reserve	11,041	23,625
Inv'ts. writ. down..	......	15,411
Org. exp. wr. off	......	10,294
Net profit	59,504	75,259
Less: Pfd. divs.	59,700	58,645
Year's surplus	*196	16,614
Add: Prev. surplus ..	71,875	55,261
Surplus forward	71,679	71,875

*Deficit.

	1935	1934
Working Capital		
Current assets	997,358	1,220,573
Current liabilities	281,372	308,469
Working capital	715,986	912,104
Balance Sheet Items		
Assets:		
Cash	41,165	109,994
Inventories	657,432	813,964
Willard's inv't	303,502	80,268
Fixed assets	1,251,618	1,248,913
Liabilities:		
Bank advances	200,607	162,787
Deprec reserve	213,919	183,783

Canadian Hydro

Quarter ended June 30:

	1935 $	1934 $
Oper. rev. & other inc.	2,377,289	2,401,321
Profit on exchge.....	42	....
Loss on exchge.	....	2,079
Total revenue	2,377,331	2,399,242
Net before int., deprec. etc.	2,064,789	2,088,011
Int., amort. of disc., inc. taxes & pref. div. of sub.	1,271,325	1,266,092
Deprec. & amortization of storage works ..	165,533	166,855
Bal. before divds. on 1st pref. stock	627,931	656,064
12 mos. ended June 30:		
Oper. rev. & other inc.	9,400,245	9,440,401
Loss on exchge.	40,577	51,876
Total revenue	9,359,668	9,388,525
Net before int., deprec. etc.	8,076,047	8,141,892
Int., amort. of disc., inc. taxes & pref. div. of sub.	5,113,382	5,119,891
Deprec. & amortization of storage works ..	653,069	651,840
Bal. before divds. on 1st pref. stock	2,309,596	2,370,361

Dividends on the $12,500,000 par value of outstanding 6 per cent first preferred stock total $187,500 a quarter, or $750,000 a year.

St. Catherine St. Realty Paying Taxes

From Our Own Correspondent

MONTREAL.—St. Catherine Street Realty Corp. is steadily whittling down its arrears of taxes, which amounted to some $28,000 last March. The building is fully occupied and the company reports that the rental situation is better than for some time past. Lowering of rents in office and light manufacturing buildings in Montreal appears to have come to a stop and while there is no immediate hope of rental increases, the low point of rentals would appear to have been passed.

There is no indication as yet as to what the management intends to do in regard to interest payments, which under plan of reorganization, commence next year. It will be recalled that on July 1, 1933, the company defaulted on both interest and sinking fund payments in connection with its bonded debt. Ground rents, on the other hand, have been kept up to date.

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American Cyanamid Extends in Explosives

American Cyanamid Co. has acquired General Explosives Corp. and Burton Explosives Inc. This extends the company's interest in the manufacture and sale of explosives. Increased sales of fertilizer are also looked for as a result of these acquisitions.

Call $23,900 of Bonds for Ontario Steel

Royal Trust Co., Montreal, has given notice that $23,900 of 6 per cent first mortgage bonds of Ontario Steel Products Co. have been drawn for redemption. The bonds will be paid at the office of the Royal Trust Co. on Dec. 1, 1935, at 110 and interest.

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TORONTO, SEPTEMBER 7, 1935

OFF THE RELIEF ROLL AND ON THE PAYROLL

IN THE window of a political campaign office appears a card bearing the phrase "Get off the relief roll and on to the pay roll." Which political party displayed the sign is not very important, since no one of the parties has yet come out with a set of policies likely to end the relief problem quickly.

It is a good slogan because it really does represent the ambition and the objective of by far the larger proportion of those who now draw relief. But there is a minority who would prefer "doles" to jobs. The longer relief continues the larger that minority becomes.

Relief administrators know the mental suffering experienced by many people when they finally had to go to the public authorities and admit that their own resources were used up. It took real courage for many persons of independent spirit to pass for the first time through the door of the relief office.

But relief has a deadening effect upon the morale even of proud and spirited persons. After a few weeks of acceptance of relief the feeling of deep chagrin and discontent becomes less marked. It is not a long step to the final assumption that, after all, relief is a matter of social right. Less and less can persons on relief be counted upon to exercise their own ingenuity in getting off the relief rolls no matter how deep their dejection when they first went on. More and more does relief compete with jobs offered by private enterprise as an alternative way of getting a living.

Slowly but surely the problem of providing relief handouts across Canada is driving municipal and provincial governments toward the gulf in which lurks insolvency. Many municipalities have already gone over the edge.

Sooner or later the relief drain on public finance must be stopped. It will not halt, but rather will gather force, if left to run its own course. This is already evident in that relief expenditures have been rising despite improved business conditions and higher payrolls.

One of the worst aspects of relief is that it does compete with jobs. Persons who should be working at a modest wage stay on relief. For instance, domestic servants are scarce and can be hired only at pre-depression wages, because of the greater attraction of living on relief in idleness. In some cases so demoralizing has relief become that some recipients accept the dole rather than do work which they consider beneath their dignity! In still other cases workers who formerly earned sufficient in warmer months to carry them through the year are still working in summer and going on relief in winter. The relief is profit. And so on, without counting the relief frauds.

Relief cannot be quickly ended. But it must not be administered without regard for three important factors:

First the enormity of the financial problem involved. If the country's financial integrity is not preserved there will be complete economic collapse.

Second, the competition that relief provides with work and initiative as a way of supporting oneself and one's family.

Third, the disintegrating effect upon the moral fibre of some tens of thousands of people.

Governments should not stand in the way of private enterprise that may take people off the relief rolls.

They should administer relief efficiently and guard against exploitation or extravagance in any way.

Above all, relief policy should be directed to aiding those receiving the benefits to re-establish themselves as quickly as possible.

Only a small proportion of those on relief are parasitic in their instincts and or have any desire to live permanently off the community. The real danger is however that the longer relief payments continue the larger will that proportion become.

WHO WILL SUCCEED ABERHART IF ABERHART FAILS?

BEFORE the recent Alberta election there was an attempt to form some sort of united government including U.F.A., Conservative and Liberal representatives. But each of these three groups was confident it could win the election alone. They were all wrong. The election showed that the fight was between the Social Credit on the one hand and all the others on the other hand.

The united front government might have won the election; Mr. Aberhart polled only 55 per cent of the total vote and a united front government could probably have swung enough votes to have won.

After the election it was too late even to think of a united government. There is only a handful of legislators from all the opposition parties combined.

The situation suggests that those in opposition to Social Credit in Alberta might have to consider whether or not their old-time party tags really mean anything when monetary evangelism versus sound finance is the issue, and if these labels should not be dropped for the next few years.

The party system as it is known in this country has one justification in spite of all its defects, that it usually presents an alternative government as a possibility when voters decide that they have had enough of the government in power. This the party system in Alberta was quite unable to do, either in the election just held or in that of 1930. And, without a change, Alberta's politicians will not be equipped to offer an alternative to the Social Credit administration of Mr. Aberhart, when the times comes, as it may come very quickly, that an alternative will be in demand.

An incomplete count of the votes recently polled in Alberta gives the following figures; with comparison for 1930:

	1935	1930
Social Credit	161,527	....
Liberal	69,242	46,275
U.F.A.	30,551	74,187
Conservative	19,450	25,449
Communist	5,903	....
Independents	5,164	27,954
Labor-C.C.F.	4,507	14,354
Total	296,334	188,219

Mr. Aberhart's candidates polled a substantial majority of all votes cast, which nevertheless amounted to less than 55 per cent of the total. A loss of ten per cent of his support, which through disillusionment may easily occur within a very short time, would put him in a minority.

As the last election campaign proceeded, it must have been evident to the people of Alberta that there was not strength enough in the U.F.A. party, in the Liberal party or in the Conservative party to establish a government in the province. They may have been buying a pig in a poke when they voted for Mr. Aberhart and his strange theories, but at least if Mr. Aberhart won, there would be a Social Credit government. If he did not win, no one could guess what kind of a government there might be. It would not be a Social Credit, but equally it would not be a U.F.A., Liberal or Conservative. Such a state of affairs may easily have made the difference that enabled Mr. Aberhart to accomplish his triumph.

It is the responsibility of those who engage in Alberta politics, outside of Mr. Aberhart's following, to prepare themselves to offer an alternative government. The first step in preparation would appear to drop the organization and names of the past, and try to build some cohesive new body.

If Mr. Aberhart is successful, and is able to fulfill his promises, such advice will be unnecessary, but no more unnecessary than the politicians in question will be. But if the latter are going to be needed, they are likely to be needed very soon, and when the call comes it may come in a hurry. If they are not properly prepared, it will not be they but others, and possibly another group of economic heretics, who will sweep Mr. Aberhart out of office.

MORE, NOT LESS, GOLD IS BEING PRODUCED

IT IS estimated that more gold was produced in the world in the month of July than in any other month in history.

Back in 1930 the Gold Delegation of the League of Nations frightened the world with an estimate of rapid decline in gold production. In fact, about five years ago there was a tendency for many economists to blame the entire depression upon declining gold production.

The official estimate made by the economists of the League of Nations was that in 1934 the world might be counted upon to produce 18,868,000 oz. of gold. Actually world production was 27,236,000 oz. in that year.

For the whole year of 1935 the official estimates were 18,433,000 oz. Already in seven months the world has produced 16,350,000 oz., and the production for the whole year is almost certain to run 10,000,000 oz. over the estimate made in 1930.

There have been several major reasons for the increased production. South Africa has reversed its former declining tendency and is now expanding its production. Russia has come into the field in a big way and is now second among the world's gold producers. Many American mines have come back and restored American production, while Canada has increased its output considerably.

A short while ago Canada was second among the world producers. For the first seven months of 1935 it ranked only fourth, due to the advance of Russia and the U. S. A.

CANADA'S AIR POLICY; WHAT IS IT?

CONFUSED and bedevilled by the depression and lack of a definite national policy at Ottawa, it is becoming increasingly evident that commercial aviation in this country will be one of the important problems awaiting consideration at the hands of the incoming government.

In the past five years the Dominion has spent two million dollars, in round figures, on the construction of a trans-Canada airway. In the same period, the prairie airway which had been built and put into operation in the late 20's was closed down. To cancel existing contracts, thereby subjecting Canada's pioneer aviation company to an almost paralyzing strain, and to close down a fully modern air route, while proceeding to spend additional millions on its extension throughout eastern Canada, would appear to have been as unwise as it was irrational. But with the airway now fully completed across the Rocky Mountains and in an advanced stage of construction across Ontario, Quebec and the Maritimes, it is evident that this policy cannot long be continued. At the present moment, advices from Ottawa are to the effect that the western half of the airway could be put into operation on short notice and the eastern half could be flown in daylight hours with a minimum of danger. By mid-summer of 1936 eastern equipment will permit night flying and the last excuse for inaction will have been removed.

It seems to be true, therefore, that the formulation of a national policy with respect to commercial aviation cannot be postponed longer than six months and that important decisions vitally affecting commercial aviation companies must follow. In anticipation of the event, it is reported that many small companies are now in process of consolidation and that whether consolidation will be carried to the point where but one large and well-financed organization remains, depends largely upon Ottawa's attitude.

As an indication that the long period of marking time is about over, Ottawa reports that the post office authorities are preparing to award a contract for a daily airmail service between Vancouver and Seattle. This line will be the third "feeder" service between key points in Canada and the transcontinental air services in the United States. Both Montreal and Winnipeg are now "tied in."

The decision to proceed with such a contract is wise. For months Vancouver's desires for an airmail connection to the south have been baulked by Ottawa on the ground that each "feeder" line must attract business away from an all-Canadian service. The soundness of this view is open to question. But, in any event, business men are entitled in these times to all the advantages which a fast mail service can bestow. And, in point of fact, the launching of "feeder" lines has stimulated rather than weakened the demand for a trans-Canada service.

MR. MATTHEWS' GOOD WORK

THE other day we had occasion to look back over the editorial columns of The Financial Post of a few years back. We were struck by the number of times when we found it necessary to voice criticisms that were very general among business men concerning the administration of the Department of National Revenue. There were complaints that the Department was dictatorial in its rulings; that it was so bound up with red tape as to add greatly to the business worries of manufacturers, importers and merchants; that officials of the department set at naught the objectives of Parliament's statutes as well as the tariff rates fixed by Parliament.

During the past two years complaints regarding the administration of the Department of National Revenue have almost disappeared. This is a significant thing. It indicates that the department is now being run in a much more business-like manner. This is something of a tribute to the three commissioners who are in charge of the work and who have frequently received commendation in these columns. They are Hugh Scully, Commissioner of Customs; Dave Sim, Commissioner of Excise and Fraser Elliott, Commissioner of Income Tax.

But one should go farther than that in giving credit. The man who reorganized the National Revenue Department and turned it from one of the least efficient departments of government service to one of the best administered was the Hon. R. C. Matthews. Mr. Matthews, who had been a private member in Parliament for many years, became Minister at the beginning of 1934 and immediately set out to reorganize the branch of public service placed in his charge. One of his first moves was to delegate responsibility to the commissioners, to give them not only larger powers to handle contacts with business men but the responsibility for seeing that their rulings were fair and that the regulations were understood by everyone having business to do with the department. Mr. Matthews revamped the department and in making it efficient he also gained for it a degree of popularity it had never previously enjoyed.

Mr. Matthews announced in July that he would retire from the government; that he did not feel his state of health would permit him to continue in politics. It is a serious loss for the Bennett administration. Mr. Matthews' retirement was regretted by business men in every part of Canada.

Mr. Matthews was but a short time a Cabinet minister. However, he has the satisfaction of knowing that few men have in such a short time done such a major job of departmental reorganization. There is every reason to hope and believe that Mr. Matthews did his job so well that the departmental activities will continue to be well handled in the future. And the greater popular esteem for the department can be regarded by Mr. Matthews as the real monument to his effort.

Post-Scripts

THE recall of General Balbo from Libya to help Mussolini run his African campaign will add some variety to the names in the news from Rome. When Balbo gets on the job the supreme Italian command will probably be made up of the following gentlemen:

Chief of State: B. Mussolini.
Minister of Foreign Affairs: B. Mussolini.
Minister of the Interior: B. Mussolini.
Ministry of War: B. Mussolini.
Minister of the Navy: B. Mussolini.
Minister of Aviation: B. Mussolini.
Minister of Corporations: B. Mussolini.
Commander of the Fascist Militia: B. Mussolini.
Fascist Leader: B. Mussolini.
Chore Boy in-Chief: Gen. Balbo.
Miscellaneous Officers: B. Mussolini.

• • •

GEORGE ARLISS has just completed "The Guv'nor," his second picture at the Gaumont-British Studios at Shepherd's Bush, and he has marked the completion of his work with a gesture typical in its spontaneity and generosity.

"The Guv'nor," for technical reasons, had taken longer to produce than had been planned. For a film-studio there is no more costly business than to run a production over schedule. Mr. Arliss knows this.

Recently certain moneys due to Mr. Arliss under his contract were duly paid into his account by Gaumont-British. The following day, Mr. Arliss walked into the office of Michael Balcon, director of production, and laid a slip of paper on his desk.

"I don't think I'll take this," he remarked and vanished before the surprised chief of production could voice his thanks.

For the slip of paper was Gaumont's original cheque to Mr. Arliss—made out for a sum of nearly £6,000. The great star had returned his "overtime."

• • •

THE American police commissioner who does not like the word "fight" and is trying to get the newspapers to use the more polite word "disturbance" won't get anywhere. There are 11½ characters in disturbance and only 4½ in fight (the letter "i" being only half as wide as the others). Desk men on newspapers, boiling down stories to save space and writing headlines that have to be compressed in narrow columns, will not use a long word when they can use a short one. That is why diplomatic communications are "notes"; the enemy is the "foe"; interrogates or cross-examines becomes "quiz"; criticize is "hit," and so on.

Something of a modern classic in headline English is a recent example from Variety, the amusement newspaper. The headline read "STICKS NIX HICK PIX."

Each of the four words is a slang word and the headline would be inadmissible in any daily newspaper. What the headline intended to convey is simply this: that the movie-going public in the smaller communities have indicated that they dislike and will not pay their good money to see motion pictures depicting rural life.

• • •

THE lighter side of industry is represented in Birmingham, England, in more senses than one. At the present time the city is experiencing a boom in jews' harps. As it is the only city in the world where this particular musical instrument is manufactured, prospective players all over the world, particularly in America, are having to await delivery.

The delay is due to a lack of skilled tongue setters, who have to be trained for several years before they are proficient.

The setters are responsible for the adjustment of the metal strip that vibrates to produce the sound, and if this strip is the merest fraction of an inch out of adjustment, the tone of the harp is ruined.

One firm in Birmingham is producing 100,000 harps a week, and has enough orders in hand to keep the factory busy for three months. The head of this firm has just returned from a business trip in the United States, where jews' harp bands are popular, with one order for nearly 160,000 instruments.

Another thriving Birmingham trade is that of the manufacture of lucky charms, in which the enlightened people of England seem still to believe. Models of pixies and gnomes and hobgoblins, which are supposed to ward off bad luck and evil, or bring good fortune to those who carry them, are today being sold by the thousand.

The World at Large

South America

Volatile Politics of Latin Republics Worry Investor

BY JOHN A. STEVENSON

There are few countries in South America, which are long free, if not from revolutionary upheavals, at least from acute political liveliness. The concentration of interest among students of international affairs upon the Italo-Ethiopian imbroglio and the tense European situation generally, however, has operated to obscure some interesting developments in the southern continent.

Unrest in Argentina

The fortunes of Argentina should be of particular interest to the people of Canada. That country is our competitor in the international wheat market. For generations it has had a favored place in the affections of British investors. It is at present ruled by a Coalition Ministry which was formed after the revolution of 1930. The predominant element in it is provided by a party which styles itself "National Democratic," but represents the conservative elements of the country and their allies are a group of ex-Socialists, who call themselves Independent Socialists and look to Dr. Pinedo, the Minister of Finance as their leader and some former Radicals whose bellwether is Dr. Melo, the Minister of the Interior.

The Coalition is popularly known as the "Concordianza" and professes to be a National Government, which is non-party in its outlook and policies. The official legislative opposition consists of the Socialists. The latter controls the great city of Buenos Aires but is uninfluential outside it. It is assisted by the progressive Democrats, a sectional party, confined to the province of Santa Fe, where it has considerable strength.

But the strongest single party in the country is the Radicals. They held power for a long time under President Irrigoyen until their administration was overthrown by a violent revolution in September, 1930. Since then they have had no opportunity of voting in a major election. When they elected their candidate governor of the Province of Buenos Aires in 1931 the election was declared null and void.

Scandal Threat

Now the stability of the "Concordianza" is threatened by unpleasant scandals and other troubles. Some time ago the acute grievances of the cattle raisers against the meat packing companies induced the Government to appoint a committee to investigate methods. When the report upon the meat trade was debated in the Senate Dr. de la Torre, senator for the province of Santa Fe accused the companies of grave irregularities. He also charged that Senator Duhau, the Minister of Agriculture, was using his official position to obtain in his capacity as a cattle raiser specially favorable prices for his own stock. Furthermore he accused Dr. Pinedo, the Minister of Finance of helping the packing companies to evade payment of income tax. These accusations generated an atmosphere of heated recrimination in the Senate and great deal of bad feeling. About a month ago Senor Bordabehere, a senator-elect, was shot dead and the impression widely prevailed that the bullets, which killed him, were intended for the trouble-making Dr. de la Torre.

Dr. Melo, the Minister of the Interior, had made known his strong disapproval of the attitude of Senor Duhau and Dr. Pinedo during the debate on the meat trade and as consequence of the friction, which developed, all three handed in their resignations. The President declined to accept as he wanted to avoid any cabinet changes before the final conclusion of the meat trade investigation. Dr. Melo has not formally withdrawn his resignation but an official statement has been issued stating that differences in the cabinet have been composed. No great credence, however, is placed in this. The common view is that the crisis has merely been postponed and that Dr. Melo, who has the reputation of being a man of high integrity of character and shrewd political judgment, is so dissatisfied with the general conduct of his colleagues that he will soon go into opposition.

Opposition Active

Meanwhile the murder of Senor Bordabehere has aroused the opposition parties to action. They have been able to organize a huge mass meeting in Buenos Aires to protest against violence in Argentinian politics. The Radical party is also becoming very active and pressing for a general election. The Government, however, must be conscious of its growing unpopularity and will delay as long as possible. Altogether conditions in Argentina are not such as to give British investors any confidence that their money is safer in this South American republic than in Canada.

Ecuador Shifts

Meanwhile Ecuador, one of the South American countries facing on the Pacific has been the scene of a determined effort by Jose Velasco Ibarra, President, to make himself a dictator. Enlisting the co-operation of Senor Astudillo, the Minister of War, he counted upon the army to back him. Instead the army turned against him, opened the doors of the gaols and freed a number of prominent Liberal leaders who were imprisoned in them. Moreover the army then proceeded to fill cells thus emptied with the political appointees and henchmen of Ibarra. Finally the President himself was arrested. He had been so sure of his position a week before that when criticism of his actions had developed in the Congress he had instructed his supporters to chase the opposition out of the building. But his attempt to make himself dictator ended his regimé. The volatile political temper of the citizens of Ecuador is illustrated by the fact that the crowds in the streets of the capital cheered Ibarra wildly when he proclaimed his dictatorship and a few hours later cheered the army just as wildly when his arrest was announced.

Gran Chaco War

In the centre of the continent the bloody warfare, which Paraguay and Bolivia have been waging for the possession of the Gran Chaco, was halted two months ago by an armistice. By then both sides had been virtually exhausted and were at the end of their financial tether.

But a peace conference, which has been in progress at Buenos Aires has so far proved abortive. Paraguay is willing to submit to arbitration the question of the ownership of unpopulated and comparatively worthless sections of the Gran Chaco. It will not, however, yield an inch on claims to the populated part of the territory or even to the area west of the Paraguay River through which railroads and highways have been built. Nor will she contemplate allowing Bolivia to gratify an ambition of securing a port on the upper Paraguay River. From here a harbor could be built to accommodate ocean-going ships. If this were done, Bolivia's great handicap of lack of direct access to the sea would be removed. All that Paraguay will offer is certain economic concessions which the Bolivians think of negligible value. Complicating the whole matter has been unpleasant friction about the exchange of prisoners.

Paraguay's obstinacy is due to the fact that she has the whip hand. Her military forces are in better condition and she holds 25,000 Bolivian prisoners. She intimates that these will not be released until Bolivia accepts practically all her terms.

But it would be political suicide for the Bolivian delegates and their government to return without the desired port and merely a promise of arbitration about valueless territory.

Accordingly peace negotiations are in a state of suspended animation with animosity still rife. Actual hostilities again, however, are not likely to be resumed at present.

Other People's Views

Don't Argue

Winnipeg Free Press

The new political technique of ignoring criticism is not so very new. Robt. Owen, the Socialist, who lived some time ago, thus instructed his disciples: "Never argue; repeat the assertion with added emphasis."

Bloodthirsty

The Globe, Toronto

When the leader of the misguided "trekkers" uttered his threat about "wiping out" the governing class, he meant, of course, that he himself with his associate agitators would expect to step into the governing jobs thus vacated. Nothing is more certain, however, than that the "capitalistic class," with all its faults, provides better rulers for any nation than the demagogues have ever been able to produce. From the days of ancient Athens down to the French Revolution, the Commune, and the present Soviet regime in Russia, no tyrants have ever been more bloodthirsty, incompetent and oppressive than the self-seeking exploiters of public unrest whenever they have suddenly been invested with supreme power. The lesson of history on this point is conclusive.

As Others See Us

Stabilizing Finances

Cobourg Sentinel-Star

The latest issue of The Financial Post contains a most enlightening article in the form of an interview with the Rt. Hon. J. A. Lyons, Prime Minister of Australia, in which he deals in detail with the steps taken by his country to stabilize finances and having some bearing on the situation with which Canada is faced today.

Following a period in which Australian credit was so shaky that no money could be borrowed, the financial house was put in order. Rigid economy was enforced, interest rates, both private and public, were reduced, central bank credit was expanded to finance deficits and necessary loan works and the budget was balanced.

Two points, in particular, stand out in the statements of Mr. Lyons. One is as to the steps taken to secure lower interests rates on public debts. He says:

"We went to the bond houses and proposed a conversion loan in Australia of the national debt held in Australia. We asked the bondholders to convert to a lower rate of interest by cutting the interest 22½ per cent. Over ninety per cent of the bondholders voluntarily came along and converted their holdings."

It would be a wonderful thing if the governments of Canada, federal, provincial and municipal, could all carry out a scheme of that kind.

The second significant statement has reference to the Central Bank in Australia, which is somewhat parallel to the new Central Bank established in this country. In one paragraph, Mr. Lyons says:

"I have the greatest admiration for politicians, but with all due respect to their ability to handle national affairs, one of their abilities is not to manage a National Commonwealth Bank."

With some politicians in this country anxious to see the Central Bank under political, or parliamentary control, the experience of Australia, which has had its national bank since 1910, is enlightening, and should be a warning to those who would make Canada's bank a political football.

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The Week in Business

Cheaper Express

CANADIAN express companies this week instituted lower charges on long haul traffic. The new rates, which are said to amount to a reduction of more than 20 per cent, apply to shipments over 15 pounds in weight. Existing low rates on packages under 15 pounds will be continued.

Broadly speaking there are two reasons for the change. In the first place, it represents an attempt to meet the activities of "assemblers." These are for the most part forwarding concerns and pool car operators who have been taking advantage of minimum charges. For example, if the minimum was charged on a hundred pound shipment or less, these operators would get together say four shipments of 25 pounds, each of which if shipped singly would have to pay the minimum, charging the shipper only slightly more than one quarter the cost of forwarding direct.

Rates on packages less than 15 pounds were reduced some time ago to meet parcel post rates. In order to avail themselves of these rates, shippers were chopping shipments into small parcels with consequent increased packaging costs. It is expected that the new rates will eliminate this wasteful practice.

The reduction is not designed to meet competition of "pick-up-and-delivery" freight service and of trucking firms. The length of haul on which the revised schedule is effective is considered outside the field served by these agencies.

* * *

"Take It Or Leave It"

GREAT Britain is still being taken to task for the indifferent attitude adopted by some of her exporters. This time the British Chamber of Commerce for the Netherlands East Indies states: "In the past the 'take it or leave it' attitude of some British manufacturers injured British overseas trade, as it caused importers to seek their supplies in other countries.

"It is now to be hoped that the British manufacturers, to whom prosperity has returned (and happily these are many), will not adopt a dictatorial attitude in regard to their overseas trade, and thus injure the chances of those who are prepared to fall in with overseas market conditions. Some glaring examples of 'take it or leave it' came to our notice in 1934."

* * *

Can Research

AMERICAN Can's beer can is a prohibition baby. The company's research department worked on the idea of a beer can for seven long years before marketing experiments were attempted. Then early this year, in the "low-demand" month, it was introduced in a notoriously tough market for beer. As it met public favor it was gradually spread more widely throughout the country, and now has a national market.

It didn't take quite so long to develop the tomato juice idea. Demand for this product, which may be termed "depression-born," came as the result of four years research. Results of this research helped determine the type of processing equipment. A potato masher manufacturer was shown how to adapt his product to extract the juice from tomatoes.

No wonder the glass container people are disturbed by the company's investigations. First it was beer cans; now there is a fibre milk container.

* * *

Modern Engineering

THE world's largest tunnel was built before it was excavated. It sounds paradoxical, but engineers of the San Francisco-Oakland Bay Bridge had an idea. For the benefit of those technically minded, five bores were driven, two at either side and one at the top, and then the horseshoe-shaped excavation was blocked out and lined with steel and concrete. Only then did the steam shovel go to work.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.15	$6.00
Hogs	10.00	10.90	9.40
Copper, lb.	.08½	.08½	.09
Cotton, lb.	.1075	.1110	.1335
Rubber, lb.	.1179	.1200	.1569
Sugar, raw, lb.	.0345	.0345	.0335
Silk, lb.	1.90	1.82	1.17½
Wheat (Man.) bus.	.81¾	.84¾	.80¾
Coffee, lb.	.06⅜	.06⅜	.09½

Weekly Indices

N. Y. Annalist	126.3	127.2	120.6
Fishers'	84.6	83.7	77.8
N. Y. Journal of Comm.	79.0	80.2	80.0
Crumps (Brit.)	64.4	64.6	65.4
U. S. Labor	80.8	80.5	76.9
Canada (D.B.S.)	71.8	71.6	73.0

Monthly Indices

	Latest month	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (July)	78.8	78.8	78.2
W'sale (July)	71.5	71.5	72.0
U. S. Labor (July)	79.4	79.8	74.8
Gt. Brit. (May)	68.6	66.7	65.4

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

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Background of Business

Clothing Moves

Best Trade in Years—Hardware, Books, Plumbers' Loans

Manufacturers, wholesalers and retailers in the men's clothing industry are reporting the best August business they have had for four years. They attribute the increase to a better feeling throughout the industry generally and to favorable weather conditions. Cool weather in the latter part of August increased orders for fall merchandise for the manufacturers and wholesalers, while warm days in the earlier part of the month carried the sportswear business of the retailers over into August although it usually stops around the end of July. Most men's suit and overcoat factories are working almost to capacity on fall lines.

It is expected that there will be a greater sale for fall suits this year brought on by the fact that stylists have swung abruptly away from the fancy backs so popular in the spring and early summer. Men who usually wear their summer suit well into the fall will have to buy an extra suit this year as summer suits practically all carried a fancy pleated back.

* * *

What Price Clothing?

The Canadian textile industry is keenly interested in the recent advance in the price of both English and Canadian spring cloths in woollens and worsteds. The advance is confined to medium priced goods and, compared with quotations for this fall's selling, prices are up from 7 to 12 per cent. The advance in prices covers the increase in wool top and yarn values during the past two months. It is expected that prices will stay at the level from which quotations are being made at the present time since they appear quite firm. As yet there have been few concessions for bulk lots.

This increase will be passed on from the cutter-up of men's and women's clothing to the retailer and consumer and it is expected that there will be a jump in clothing prices next spring similar to that in the raw material.

* * *

Outlook for Hardware

Wholesale hardware firms report a good volume of fall goods being bought by dealers. Heavy shipments are going forward to the trade in a wide variety of seasonable merchandise. September prospects for ammunition business appear bright. Roofing firms are anticipating considerable new work and repair work in the next few weeks. Turpentine prices have continued to fluctuate on a weak and uncertain basis since government restrictions in southern districts were lifted at the beginning of August. It is significant that this product has undergone a marked decline in price since these restrictions were removed.

Heavy buying of ingot copper during August caused price advances which have had an influence on the price of manufactured brass and copper products in Canada. Higher prices are now quoted on brass and copper sheets, rods, tubing and wire.

* * *

Food for Book Worms

Canadian publishing houses almost without exception are offering larger lists of new fall titles this year than for several years past. This, reflects to a large extent the trend in the United States and Great Britain, for the majority of Canadian houses, in addition to publishing books of their own here, represent several British and American firms in this country.

Some of the publishers frankly admit that although the number of books being offered to the public this autumn is greater, the quality of the new writings has not improved in proportion to the increase in volume of material. Others state that their fall lists represent a decided improvement in quality as well as quantity, and are counting on this combination to sell more books for them this year than in any season since the depression settled down upon the book business about the beginning of 1931.

Everything possible is being done to assist retailers to promote the idea of "Books for Christmas Gifts" and publishers are hopefully looking forward to good business during the fall and Christmas season.

* * *

Plumbers Want Loans

There is a growing feeling in the Canadian plumbing and heating industry that, taking a leaf from the notebook of the United States, where splendid recovery has been made in industries allied with construction, we should have loans for modernization work as part of our housing programme.

As a result of the Federal Housing Act in the United States, plumbing supply sales for the first half of 1935 exceeded all records back to 1930 and in some divisions back as far as 1929. Financing for new construction and remodelling has been a big factor along with the increased market for air conditioning equipment. Sales have been 60 per cent above those for the same period of 1934 and building permit values in June, 1935, were 84.1 per cent above June of last year in the U.S.

It is significant that all this has been accomplished with prices on plumbing and heating materials remaining at a very low level. Quotations on some supplies are at all-time lows while labor costs are the highest in years. In Canada labor costs are now increasing as a result of agreements under the Industrial Standards Act in Ontario and under similar legislation in other provinces.

In the United States there have been spectacular increases in the sales of bathroom and heating equipment to farming districts, over the previous year's figures. The number of failures and defaulted indebtedness totals in the industry for 1935 are expected to hold close to those of 1930 which was an all-time low.

In Canada the rural situation, while holding some prospects of a worthwhile market, is not considered to be quite so enticing. There is a feeling here that it does not pay to devote too much attention as yet to the promotion of plumbing and heating business in rural districts.

* * *

Measures Defined

Domestic hot water boilers, measuring cups, pails, and any other utensil, vessel or container which is sold representing a definite size or capacity, will now require to be sold on the basis of Imperial measure. In the past wine or American gallonage has been the standard of measurement for some of these lines.

An amendment to the Weights and Measures Act enlarges the scope of the act to include not only containers sold with liquid or other content, but containers of any kind such as listed above. Under the amendment, Imperial measure only is considered legal in Canada, requiring that the word "quart" on any container must mean that the container will hold 40 ounces, "pint" means 20 ounces and so on. This will probably entail considerable change in the capacity markings on domestic hot water boilers, measuring cups, crocks, and various other utensils made in Canada or imported from the U.S.A.

* * *

Regulate Sales Policy

Following the prolonged discussion over the matter of secret rebate and allegedly irregular selling practices which favor chain and department stores, a new organization under the name of the American Institute of Fair Competition Inc., has been formed at Dayton, Ohio, and in conjunction with it a number of manufacturers have commenced use of a label on which is this wording "Guaranty by Licensee to Purchaser, all sales under this license have been according to public sales policy on file with the American Institute of Fair Competition." The Institute furnishes to all persons interested, the actual sales practice of any manufacturer-subscriber. Membership is open to any manufacturer who will subscribe to the contract and file for inspection purposes certified copies of his sales policy.

Traction Engine Imports Under $1,400 Enter Free

Traction engines for farm purposes, equipped with electric lighting systems or other accessories are admitted into Canada duty free under tariff item 409m so long as the value of the tractor complete with accessories is not more than $1,400. Traction engines classified under other tariff items are dealt with similarly. This ruling of the department of National Revenue is effective as from Jan. 1, 1935.

GREAT BRITAIN URGED TO EXTEND TRADE POLICIES

F. B. I. Recommends Continuance of Industrial Protection

Recommendation that the best course for Great Britain is to continue and extend its present policy of home industrial protection, Empire tariff preferences and specific trade agreements with foreign countries is made by a special survey of British commercial policy undertaken by the Federation of British Industries.

"Our commercial policy taken as a whole," says the report, "has secured a remarkable degree of economic recovery for this country as compared with that of other countries during the same period . . . It is a fair deduction that the best course for Great Britain is to continue and extend the policy which His Majesty's government has pursued with success during the last few years."

Export Trade Dull

Lack of real development in export trade in proportion to revival in industrial activity in the domestic market "does not warrant any feeling of complacency," says F.B.I. And it adds that unless the reversal of the present tendency for industrial countries to stimulate agriculture and for agricultural countries to stimulate industrial activity is kept within reasonable limits, "there would appear to be little likelihood of building a firm foundation for a resumption of international trade on a large scale." In the opinion of the survey, the reasons for the success of the British commercial policy in recent years has been that industrial protection aided industries which are economic and efficient; that, contrary to expectations, the tariff has not been used as a shelter for inefficiency and to exploit consumers; thirdly that the cost of living has remained stationary and has not been affected as a result of the tariff.

The report notes also that countries with which Great Britain made trade agreements have been the most satisfactory of her foreign customers. Experience is, however, that in view of the importance of the British market, the "most favored nations" clause should not be included more or less automatically in any treaty with foreign countries, but should be regarded as a most valuable concession by Great Britain requiring an adequate and substantial return.

Commenting on the Ottawa agreements, the survey states that while its results have definitely increased inter-Imperial trade the overseas Dominions have reaped greater benefits than has the United Kingdom.

Reciprocal Empire Trade

The importance of increasing the economic prosperity of the Empire as a unit is so important, the report says, that British industrialists have taken a broad view of the disproportion in the advantages which have accrued from Ottawa. It is suggested, however, that it is essential, in the long run, for the development of the economic life of the Empire on a sound and enduring basis, that there should be a closer relation between the treatment meted out to and received by each part of the Empire from the other constituent units. Before the next Imperial Conference, the United Kingdom will have to decide whether its policy toward the overseas Dominions is to be based on the principle of reciprocity, or whether Great Britain is prepared to continue the general principle of free entry irrespective of the treatment which British exports receive in the various Dominion countries.

RECOVERY PROGRESS IS REPORTED ABROAD

But Favorable Trends Are Counteracted in Some Countries

Summary of the week's foreign business news according to Commerce Reports, Washington, is as follows:

France—There has been a further drop in prices. Although unemployment continues to decline, industrial production shows no improvement. Weather conditions have had an adverse effect on cereal crops in most areas. Tax receipts for the April-June quarter were down substantially. July exports declined to a new low and led to the most unfavorable trade balance since March, 1934.

Germany—Unemployment continues to decline in spite of a lull in industrial activity. Prices are still rising, despite government restraints. July trade was materially higher, with a substantial favorable balance.

Italy—Wholesale and retail trade show a comparatively satisfactory turnover; the high degree of industrial activity has brought about a more active circulation of money, and anticipation of higher prices has led to accumulation of stocks. Prices moved up in July, although more slowly than in the two previous months.

Norway—Iron and steel, textiles, foodstuffs and mining report increased activity, but export industries are depressed. Conditions in the lumber industry are unsatisfactory. Money market is easy and the credit situation good.

Finland—Although some industries are still operating below capacity, the economic situation continues generally favorable. An actual shortage of labor is reported in some sections of the country.

United Kingdom — Activity replaced normal summer slack in July with regard to business, and in a lesser degree to export trade. In many instances business indexes have reached 1929 levels. The stock market has been strong. On the other hand, coal, textile (except rayon) and shipping industries lag; while employment is the heaviest in years there are still nearly 2 million unemployed; and in most markets there are spotty conditions that cancel out many optimistic analyses.

India—Business and trade holding up well considering the season. A scanty monsoon has not interfered with trade movements but lack of rain is not sufficiently abnormal to alarm farmers.

Organization Completed On New Employment Plan

Gordon S. Harrington has announced than organization work on the employment and social insurance scheme has been completed. It now remains for the Civil Service Commission to make the appointments necessary to carry the plan into effect. Canada will be divided into five areas, according to Mr. Harrington, each with a regional office, to be directed from headquarters at Ottawa.

Business Indicators

Employment — At the beginning of August employment was at the highest level for that date since 1931, and showed a substantial advance over the average August gain in the past 14 years. During July there was an increase of more than 15,000 workers, bringing the total to almost 950,000 persons.

Iron and Steel—Production of pig iron at 50,513 tons was ten per cent higher in July than in June. Four of the eleven reporting furnaces were in blast at the end of the month. Prices were comparatively firm with business fairly well maintained. Demand for repair work, agricultural equipment was improved, and mining supplied a fair amount of orders; automobile industry demand eased off.

Power Output—Although down from the previous month, power output in July was 10.4 per cent higher than in the same month last year. Daily output was at the rate of 57,759 kilowatt hours as compared with 60,530 in June and 52,300 in July, 1934.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1935	1934	Cumulative Total Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Aug. 24)	▲43,851	48,220	861,952	918,011
C.P.R. gross earn. (Aug. 14)	$ 2,388,000	$ 2,331,000	$ 74,722,000	$ 74,908,000
C.N.R. gross earn. (Aug. 21)	$ 3,139,888	$ 2,929,899	$ 104,279,323	$ 102,135,588
Business Conditions—				
Weekly index D.B.S. (Aug. 17)	103.4	96.4	......	......
MONTHLY DATA	1935	1934	1935	1934
Business Conditions—				
Financial Post index (July)	103.4	98.6	......	......
Transportation—				
C.P.R. net earnings (July)	$ ▲1,526,181	$ 1,511,481	$ 7,588,200	$ 9,565,894
C.N.R. net revenue (July)	$ ▲1,121,381	$ 688,445	$ 3,300,446	$ 5,066,986
Iron and Steel (July)—				
Pig iron production (tons)	50,513	36,759	310,290	194,586
Steel ingots and castings prod. (tons)	86,101	66,647	474,264	464,169
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (July)	▲6,249	5,506	62,982	49,606
Factory output (July)	9,471	8,407	99,798	75,491
Trucks and Buses:				
Domestic sales* (July)	▲1,109	1,126	12,113	7,885
Factory output (July)	▲3,598	2,707	24,537	17,607
Exports (July)	▲5,105	6,598	38,683	30,509
Construction—				
Building permits (July)	$ 4,266,224	$ 3,257,470	$ 28,895,295	$ 13,668,847
Contracts awarded (July)	$ 18,549,240	$ 11,190,500	$ 94,143,700	$ 72,107,200
Newsprint (tons)—				
Production (July)	234,266	208,258	1,519,169	1,469,891
Exports (June)	227,215	202,177	1,163,548	1,140,453
Sugar (lb.)—				
Melting & shipments§	99,797,793	100,372,675	482,070,793	404,299,272
Manufactured§	▲95,073,668	95,041,690	479,441,404	411,448,713
Flour (bbls.)—				
Production (June)	991,559	1,127,477	6,134,108	6,600,671
Wheat flour exports (July)	395,232	408,028	[illegible]38,217	2,941,639
Trade (July)—				
Imports	$ 48,414,397	$ 44,144,509	$ 308,786,790	$ 291,534,359
Exports	$ 56 239,187	$ 56,121,112	$ 356,504,336	$ 345,780,174
Wheat exports (bush.) (July)	9,158,035	12,979,231	54,163,556	77,700,575
Employment, D.B.S. Index—				
All industries (Aug. 1)	▲101.1	99.9	......	......
Manufacturing	▲99.8	94.2	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	▲1,790,546	1,708,632	13,170,299	12,083,016
Aver. daily	▲57,759,000	52,300,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & Board exports, mill (July)	101,926	140,000	689,091	767,659
Boot & shoe prod., pr. (June)	1,756,304	1,726,529	10,664,240	9,307,372
Crude petrol. imp gal., (July)	133,650,600	116,883,335	576,275,333	545,038,318
Cotton imports, lb. (July)	9,912,771	8,230,941	60,964,630	80,905,086
Raw rubber imp., lb. (July)	2,954,800	5,442,703	32,894,567	36,422,867
Coal imports, tons (July)	▲1,432,749	1,545,787	6,578,735	6,746,709
Finance—				
Bank debits (July)†	$ ▲2,545,102	$ 2,767,400	$ 17,761,238	$ 18,210,112
Bond sales (July)	$ 62,407,233	$ 68,252,100	$ 343,449,574	$ 258,434,159
Life insurance sales (July)	$ 32,155,000	$ 33,951,000	$ 213,712,000	$ 222,036,000
Automobile Financing—				
Used cars (July)	$ ▲2,109,499	$ 1,714,419	$ 13,582,085	$ 8,725,391
New cars (July)	$ ▲2,531,943	$ 1,910,377	$ 16,664,529	$ 11,550,351

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Aug. 10.

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BARRETT Felt, Pitch and Gravel Roofs are the result of successful manufacturing and application experience. They represent the maximum roofing value obtainable—dependable, fire-safe roofs that are practically free from up-keep expense and trouble. Leading architects, engineers and building owners place in them a degree of confidence that has few parallels in the building industry.

Consult with us on any roofing or waterproofing problem. Or ask for the name of the nearest Barrett Approved Roofer in your district.

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TEXTILES in Cellophane

Most fields of Canadian industrial endeavour have benefited by increased sales that have come with the adoption of "Cellophane." Important advantages that go with packaging in "Cellophane"—reductions in markdowns, "styled up" merchandise and increased goodwill—have won for this modern product the approval and endorsation of the Textile industry.

Sales figures, of course, really tell the story. In the uncompromising competition of Department Store display, articles wrapped in "Cellophane" have amply proven their sales leadership.

We would be glad to have you send us samples of your product to be wrapped in "Cellophane." Recommendations based upon valuable experience in modern merchandising and packaging will be made without obligation by our Package Development Department. Address: Canadian Industries Limited, "Cellophane" Division, Montreal or Toronto.

Write today for a copy of a valuable and complete hand-book, "Merchandising In 'Cellophane'," just off the press.

Cellophane TRADE MARK C-I-L

"Cellophane" is the registered trade mark of the Du Pont Cellophane Co., Inc., for cellulose film, manufactured in Canada, under contract, by Canadian Industries Limited.

WHAT SOME LEADING TEXTILE MANUFACTURERS SAY:

"Everybody appreciates our 'Cellophane' wrapped merchandise — it is always so clean and fresh, and the goods can be used immediately without laundering." The Wabasso Cotton Co. Ltd.

"'Cellophane' assures Arrow products reaching the consumer in the same immaculate and crisp condition in which they leave our factory." Cluett, Peabody & Company.

". . . equally as beneficial to the retailer as to the manufacturer, through increased consumer appeal." Tooke Bros. Limited.

". . . shirts sell more easily when they are wrapped in 'Cellophane'." Biltmore Shirt Co. Ltd.

". . . our men's shirt numbers that were wrapped in 'Cellophane' were the biggest sellers—the merchant could make a nicer display." Grover Knitting Mills.

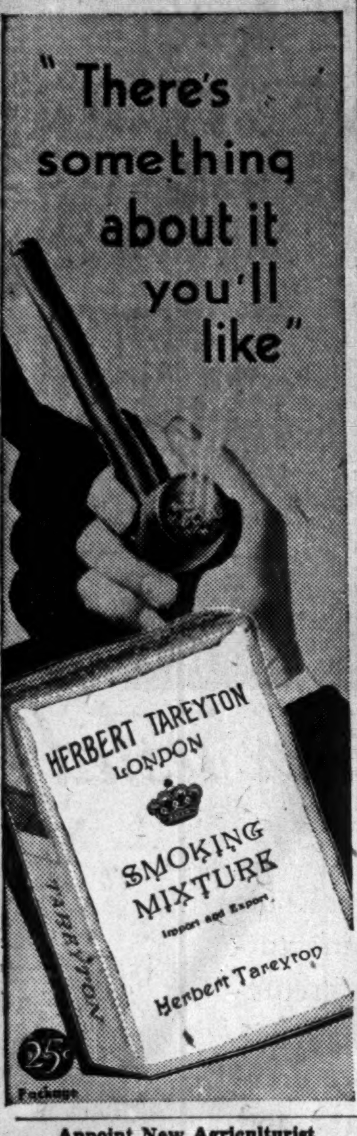
"Our opinion is that 'Cellophane' is a guard against soilage and dust—it keeps the garment neat and presentable." Society Shirt Mfg. Co.

"'Cellophane' has improved the standard of hosiery merchandising." Canadian Silk Products.

"'Cellophane' is a necessity in the proper merchandising of fine quality shirts. It eliminates the possibility of dust and finger marks, and maintains the full stock value of such garments." Gordon, Mackay & Co. Ltd.

"As one of the most extensive users of 'Cellophane' we have learned to appreciate its advantages." The B.V.D. Co. Limited.

"Multiple packages of related items wrapped in 'Cellophane' turn standard lines into attractive gift sets." Dominion Textile Company Limited



Appoint New Agriculturist

A. A. Campbell, formerly of the C. P. R. irrigation branch, has been appointed agricultural agent for the department of agriculture at Lethbridge, Alberta.

GLOBE ENVELOPES

Makers of *Wall Gummed* Envelopes

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(Incorporated by Royal Charter, 1727)

Capital (fully paid)	£ 3,780,192
Reserve Fund	£ 3,780,926
Deposits	£58,944,630

General Manager
William Whyte

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that experience has proven failure to make a Will one of the greatest mistakes a property owner can make many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

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U. S. TAX HITS ALCOHOL'S PLAN SELL RESERVES

Gallonage Duty Diverts Drinking Habits of Americans

REDUCE BANK LOANS

Return to Shareholders is Some Distance Off as Sales Problem Grows More Acute

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol continues to explore new outlets for its matured alcohol stocks, but as long as the United States Government continues to collect an almost prohibitive excise tax on imports, Canadian distillers find it difficult to develop anything like an adequate market south of the line.

The cost of manufacturing alcohol in the States does not differ materially from that in Canada. But with excise duty of $7 a gallon on imports, the American producer is placed in a position which precludes competition from foreign sources except on the matured alcohols. The average American consumer, moreover, is not in a position to pay the heavy charges on the imported product. Accordingly there has developed a taste for "green" alcohol which the American distilleries are now in a position to supply. Meanwhile matured U.S. alcohol stocks are increasing.

Four Major Outlets

As at present constituted there are four major outlets in the States for the products of Canadian Industrial Alcohol. These are represented by National Distilleries, Schenley Distillers Corp., Seagrams and Walkers. At one time National had a large contract with Industrial Alcohol but failed to live up to the terms of the agreement. Both Seagrams and Walkers are not in any need of the company's American type whiskies.

Schenley Sale Drawn Out

Last May Industrial Alcohol made an agreement with Schenley for the sale of 3 million gallons of American type whisky, the agreement to run to January, 1938. This amount constitutes approximately one-half of the company's present inventories.

It is important to note that this was not a cash sale for immediate delivery. The agreement provides for shipments of a stipulated amount every three months with Schenley having the option to increase the amount. Payment will be made on deliveries, so that in the event of Schenley living up to the contract it will be over two years before the deal is concluded.

After Second-line Trade

The Schenley contract practically eliminates the possibility of a further major sale among the "big four" in the States. Other outlets represent the second line of sales. To handle this class of trade the company formed an American subsidiary for the purpose of distributing American type whiskies, being distilled by National Canadian Distilleries. The new subsidiary is known as Corby Consolidated Distilleries.

In effecting sales to the second line of outlets, Industrial Alcohol has followed a policy of co-operating in the establishment of American distributors by supplying the alcohol provided the other party put up the necessary cash capital to carry on operations.

A deal along these lines is understood to be that made with the Olde Tyme Distilleries of New York, which has contracted for 300,000 gallons of whisky.

Will Take Time

Other deals of this type are likely to be made, but from the foregoing it will be seen that the liquidation of Industrial Alcohol's inventories of American type whiskies—amounting to approximately 7 million gallons—will be a long drawn out affair.

At the end of last September the company had secured bank loans of $1,120,700. Despite reports to the contrary these loans have not been liquidated in their entirety, but will be cleaned off the books by the end of next month, when the fiscal year closes.

McNish Presents Problem

Another problem facing the management of Canadian Industrial Alcohol is what to do with the debentures of Robert McNish. In the early part of 1928 the company offered over $4 million of 6 per cent 20-year debentures to its stockholders at a discount of 10 per cent Both principal and interest are guaranteed by the parent company.

McNish is primarily a sales outlet for Industrial Alcohol and its record to date has been discouraging. At the end of last September realizable assets were worth less than $1.5 millions, while current liabilities and the debentures totalled over $4.5 millions.

Will Face Loss

Little is expected to be realized from this venture and Industrial Alcohol is faced with the problem of having to make good its guarantees. Interest has been paid regularly to date, and while the principal does not mature until 1948 it is almost a foregone conclusion that the parent company will have to provide for the redemption of these debentures out of its own resources.

Though there has been talk of an early redemption of these debentures, based on the belief that recent sales by Industrial Alcohol have resulted in a large revenue, there is no prospect of this development.

Summary of Position

The position of Canadian Industrial Alcohol Co. at the moment is briefly that while about one-half of the American type whiskies have been contracted for under agreement, revenue from the sales is spread out over a period of many months and there is no definite assurance that contracts will be completed in full. Sale of the balance is likely to be a long drawn out affair in the event the U.S. Government does not change its attitude on the excise tax. Bank loans are now a negligible factor in the company's financial affairs, but not so the McNish debentures. As for the shareholder, there is no anticipated development which will bring about a distribution of a dividend or return of capital in the near future.

London Calling

Revive Emigration?

Canada Reads Lawrence

Wales to Visit Canada

National Government Chances

LONDON. — Appointment of Col. Crutchley, the British Government's Australian representative, to be Public Relations Officer at the post office, is of particular significance. His experience is likely to be of particular value to departments other than the post office. At one time, as financial expert to the Overseas Settlement Department, he had to conduct all the various migration agreements between this country and Canada as well as Australia, and few men know more about the technicalities of transferring populations from one part of the world to another.

He has, while in Australia, been preparing notes on the revival of migration and these will be discussed by the Cabinet when he returns. At the same time, quiet conversations are going forward on the possibilities of a revival of migration to Canada. Nothing has been arranged, but a straw showing the way the wind is blowing is provided by the fact that boys are now being recruited for the Fairbridge Farm School in Vancouver.

* * *

HOSTEL FOR CANADIAN STUDENTS

James Johnston of Toronto has come to London to undertake a novel but highly important piece of work—to give advice and assistance to Canadian University students who happen to be in London at the present time.

There is a host of them, and those who have sought Mr. Johnston's counsel have, undoubtedly, found their visit made more entertaining and more profitable.

In this connection, I am interested to hear of the success which has attended a scheme for providing a new hostel for Canadian and other overseas students in London. It was founded as a memorial to the late F. C. Goodenough, the distinguished London banker, who devoted much of his time to the promotion of Imperial understanding. Some three hundred thousand pounds have now been subscribed. One of the leading spirits in this enterprise is Sir Harry Brittain. A large property has been purchased in London and when completed there will be accommodation for hundreds of overseas visitors along with every facility they could require.

* * *

PRINCE COMING NEXT YEAR?

From time to time the rumor arises to the effect that the Prince of Wales intends to visit Canada. It has returned, but on this occasion, I understand, there is a more staple basis of truth in the suggestion. He will, in all probability, pay a visit to the Dominion in the early part of next year.

* * *

SEVEN PILLARS OF WISDOM

I am told that there has been a strangely heavy demand from Canada for the new edition of "The Seven Pillars of Wisdom," by Lawrence of Arabia.

It threatens to eclipse all records for book sales, in spite of its considerable cost.

In the meantime, the funds required for the preservation of his cottage in Hampshire have been collected, I understand, while plans are advanced for a memorial in St. Paul's Cathedral. It is likely that his simple grave at Moreton, near the spot where he died, will be left as it is—without a stone of any kind.

The simplicity is impressive, but it has provided an opportunity for a strange and melancholy form of vandalism. Until recently a small wooden cross was laid upon the grave, but it was so chipped and cut, by memento seekers, that it was removed and fresh laurel wreaths are laid there each day instead.

* * *

TIMBER DEAL OFF

Hon. G. Howard Ferguson, the High Commissioner, has been in close negotiation with the Board of Trade over the question of Russian timber imports. The decision of the Board has, however, been unfavorable. It is difficult, if the truth must be told, to see how it could have been otherwise. The Board could eliminate the Fall Clause, but it could hardly interfere with prices, and that is what intervention would have amounted to. The Dominion producers need not, however, be depressed for their timber has commended itself to such an extent on the British market that it is becoming independent of price, while public opinion will certainly not be mollified by this further evidence of resort to ruthless trading.

Mr. Ferguson's trip to Canada has been postponed until the elections are over.

* * *

CANADA'S MEMORIAL

Representatives of Canadian Legion are in London at the present moment, where they have been making the final preparations for the great pilgrimage of Canadian ex-soldiers and their dependants to the battlefields next year. They are Major J. R. Bowler and Captain Ben Allen.

It is probable that the Memorial at Vimy Ridge, which will be the central point of the pilgrimage, will be ready in November. The designer, Mr. Allward, told me yesterday that it has been for him a labor from which he has derived the greatest possible satisfaction. He and Mrs. Allward will, however, be glad to return to their native Canada. They have been here now for a year or two, engaged upon the colossal memorial, occupying the house of Gilbert, the designer of Eros of Piccadilly Circus.

* * *

POLITICAL OUTLOOK

The political outlook in Canada, confused and difficult though it seems to be, is a little more clear than it is in this country. Canadians know when their election is taking place. In a short time they will have the full programmes of the various parties before them, and their choice can be made.

Their decision is awaited in this country with the greatest interest, but few opinions are expressed as to the relative merits of the parties concerned. There is a fairly universal admiration for the personality of Mr. Bennett, but whether a party can win on the personality of its leader is a problem which British people find a little too complex to discuss.

So far as Britain is concerned, it seems that the election will probably be held within the next six months. All sides are marshalling their forces, but so far little progress has been made in the way of pacts or counter-pacts between either the Liberals, Labor, the Lloyd George New Dealists, and the Nationalists. Present indications are that an appeal to the country at the New Year would see the Nationalists back in power with a substantially cut majority.

OUTLET POSSIBLE FOR B. C. SALMON ITALIAN ARMIES

Rumored Sale of 500,000 Cases — Pack is Large

From Our Own Correspondent

VANCOUVER.—Prospects of war in Abyssinia are being studied by British Columbia exporters. Such things as lumber, certain metals and canned salmon may be affected.

Cashes in on Trouble

Whenever there is war or catastrophe, British Columbia seems to "cash in." This is especially true if the trouble occurs in a country that customarily buys in this market. The Japanese earthquake brought a flood of orders for British Columbia lumber at a time when sales from all other parts of the world were negligible. During Japan's campaign in Manchuria a couple of years ago British Columbia sold extensively in the Orient.

Sell Italy

Abyssinia has never figured in the buying column for B.C. goods, except in a casual way. Italy, however, has been an important buyer of B.C. canned salmon, especially of the lower grades. Pacific coast salmon packers anticipate large orders from Italy this season, the assumption being that canned salmon is desirable rations for troops. One report current on the coast is that Italy has already entered the market for 500,000 cases of salmon for early delivery.

English Capital

Whether signiifcant of anything other than a rise in the prestige of salmon packing from the investment standpoint, it is said that English capital has made a large commitment in stock of Pacific American Fisheries. Other British capitalists are reported to have been making enquiries into stocks of American food packing concerns on this coast.

Big Pack

B.C.'s salmon pack is well ahead of last year's so far. There has been a large increase in sockeye and chums — biggest since 1931. Total pack of all varieties at August 17 was 709,748 cases as compared with 692,770 cases for the corresponding period in 1934.

Cattle Rate Concession Continued This Season

The practice of recent years, whereby shipments of cattle for fattening have been made at 75 per cent of the normal cattle rate, will be continued this season. An extension has also been granted on the competitive rate on stock going through the St. Paul or Chicago markets to Alberta points as far west as Whiskey Gap, Glenwood and Lundbreck. Under the arrangement shippers may use American or Canadian lines at an equal rate. This represents a saving of about 20 cents per hundredweight to ranchers shipping from the area affected.

Cable Rate Reduction Viewed as Aid to Trade

Reduction in Canada-Japan cable rates, recently announced by Canadian Pacific Communications in conjunction with Commercial Pacific Cables, is viewed by British Columbia business men as merely the first of such cuts. Practically all Canada's trade with Japan goes through British Columbia, and most of it is carried out by cable. Although at a very low ebb at present, due to the trade dispute, trade would be facilitated by the reduction if, as is expected at the Coast, a new agreement is completed shortly.

UP-TO-DATE INFORMATION

To meet the desire of our clients for current information on a well diversified list of representative Canadian stocks for investment, we have prepared a brief analysis and summary on *twenty leading companies, with comments in each case on the outlook.* To those contemplating investment or readjusting present holdings, this information will be interesting.
Pamphlet covering the entire list will be sent on request.

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152 SIGNATORIES URGE PLANNING UPON BRITAIN

Unique Volume Presents Programme For 5 Years

Copies reached Canada this week of "The Next Five Years"—a new book that has aroused great interest in Britain. To make this book possible, 152 influential British economists, public men and women, educators and business men agreed to submerge their differences of opinion on details of economic and political philosophies in order to produce what is called a "far-reaching but attainable programme of action for Britain."

In essence, what is agreed to is the need for a design for economic living for Britain; a Master Plan of coherent economic advancement. To organize national planning, a Government Planning Committee and an Economic General Staff are called for. These in turn are to produce a National Development Policy.

Planks in Programme

Among the items suggested for such a programme are:

1. Nationally planned electrification, housing, road building, etc.
2. Organization of industry through establishment on the one hand of a new category of publicly regulated private monopolies and, on the other hand, the Socialization of many industries now in private hands.
3. Closer government supervision of the Bank of England and of the commercial banks. A new and more stable money system and mobilization of capital with control of its flow by a National Investment Board.
4. Revival of foreign trade by formation of a "Low Tariff Club," which other nations would be invited to join.
5. Revival of British agriculture by means other than a policy of dear food.
6. Co-ordination of social sciences and higher taxes to finance a new "National Minimum."

Say Conflict Past

These proposals are all based upon the new concept that the historic controversy between Individualism and Socialism is now a thing of the past. "It is clear," says the volume, "that our actual system will be a mixed one for many years to come; our economy will comprise...both direct state ownership and control, and management by public and semi-public concerns, and also a sphere in which private competitive enterprise will continue within a framework of appropriate public regulation."

Thus the Master Plan is an apparent attempt to effect a merger of Socialism and Capitalism. By many, the merger proposed will be regarded as singularly effective and conclusive—as was the merger of the tiger and his victim. Undoubtedly more of the Socialistic viewpoint survives the Master Plan than of the Individualistic viewpoint.

International Relations

The second half of the book outlines a policy for Britain in the field of international relations with emphasis upon Britain's contribution to the collective peace system.

Finally emphasis throughout is upon the need for maintaining the democratic system and safeguarding personal freedom.

All the suggestions are offered as a programme capable of adoption during the life of the next parliament.

The 152 signatories declare that their plan is an attempt to meet three elements of challenge in the existing situation:

(1) The challenge to master the war danger,

(2) The challenge to master poverty, and

(3) The challenge to safeguard political liberty and to fit the democratic system of government for the efficient discharge of new tasks.

Salter and Macmillan

Although no general editor is named, it is understood that from among the 152 signatories one small committee of six actually did the work. Of these the two who are best known are Sir Arthur Salter and Harold Macmillan, M.P. The influence of the previous writings of both of these men is obvious in every page, particularly those of Mr. Macmillan, an insistent publicist for the cause of Economic Planning. Mr. Macmillan is a partner in the publishing house of Macmillan & Co., London, and a director of Macmillan's in Canada, who are the publishers of this volume.

Few "Practical" Minds

Quite as notable as the impressive list of signatories is the list of those whose names do not appear. No proposal for a Master Plan for Britain can be taken as having fairly widespread approval without the endorsement, among others, of Prof. Lionel Robbins, Prof. J. M. Keynes, Rt. Hon. Stanley Baldwin, Lord Melchett, Sir James Lithgow, Sir Eric Geddes, and a dozen other spokesmen of British industry; Rt. Hon. Reginald McKenna, and heads of other commercial banks; Rt. Hon. R. H. Brand. In short, the more "practical" minds are largely unrepresented.

In Britain, as in Canada, there is an obvious conflict between the apostles of Change, who know what they want and are ready to go after it, and the conservatives, who, if they are equally certain as to what they want, are less articulate in demanding it. In this volume, the apostles of Change speak.

The volume is published by the Macmillan Co. of Canada at $1.50.

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THE FINANCIAL POST

SECOND SECTION

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Aberhart Chances

Alberta Social Credit Scheme Combines Douglas Theories With Business Control

To capitalize Social Credit is to deify it.

To put "social credit" in inverted commas is to imply a scoff.

Simply to write, social credit, is to acknowledge it as an understood term in the English language.

Each spelling is open to criticism. Yet each spelling has its acceptable qualities.

The same is true of the various doctrines of social credit. There is something about each a little theological, a little soff-worthy, and a little understandable.

Aberhart Version

As embellished by William Aberhart, Calgary school teacher evangelist, who has become Alberta's premier designate, "social credit" takes on roseate hues. His doctrine differs in several respects from that of Major Clifford Hugh Douglas, retired Scottish engineer, to whom goes the palm, or the thorn, for inventing "social credit."

The Douglas philosophy is that capital and business should be left to run their own show, except in financial manipulation of a national price level. Aberhart's scheme proposes not only financial manipulation but government control of virtually every aspect of economic activity.

The Douglas credit theories are outlined briefly for comparative purposes in the accompanying sketch.

So sanguine is Mr. Aberhart that he has practically promised that under his system of "social credit" in Alberta there will be no dole, no poverty, no debt, reduced taxes, higher standards of living.

Critics of Aberhart say his scheme would mean nothing but doles, inflation, swollen debts, enormous taxes and bankruptcy and eventual poverty for Alberta.

Outline of Theories

The Aberhart theories must now be placed ahead of those of Douglas in importance, since the Calgary evangelist is to be premier of Alberta and may actually experiment on the provincial economy. Douglas has never had the chance.

What Aberhart says is this:

Everyone in Alberta has a right to share in production from the natural resources of the province which wealth is now controlled selfishly by the "Fifty Big Shots of Canada."

This would be made operative by issue of a monthly "basic dividend" of $25 to every Alberta adult, in the form of a credit deposit in a provincial "credit house," in addition to wages, salaries and commissions.

Non-negotiable certificates issued in cheque book form would allow individuals to pay their dividends to others in return for goods or services. Recipients would have to deposit the certificates in the provincial credit house.

A "scientific system" of recovering dividend payments by taxing "unearned increments" would be introduced. By "increments" is meant gross profits on the processing of wares upon which turnover taxes would be levied.

Baldly that is the Aberhart scheme. Can it be done?

Answers Own Queries

The plan gives rise to so many questions that Mr. Aberhart, in explanation, issued a manual about it. He asked himself questions and answered them, apparently to his own satisfaction. Neatly, he held the questions and answers down to an even 60.

Unfortunately, although he offers to answer all and any questions on his "social credit" theory, Mr. Aberhart in his 60 queries and answers only encourages the doubters to ask six times sixty.

Credit Whirligig

The heart of the Aberhart scheme is a credit whirligig.

Mr. Aberhart estimates that it would require an issue of $10,000,000 of credit notes to pay one month's dividends. This, he thinks, would boom business so much that turnover taxes would yield the same amount to the provincial treasury in a month. Then, with the next month's dividend it would start all over again.

This scheme seemingly makes no allowance for the fact that some people would be accumulating credits. They would have to be paid.

Vermilion's Experience

The proof of this is the experience of the little town of Vermilion, Alta., which tried a scrip issue scheme. The town paid accounts and wages in scrip. It speedily got into merchants' hands. They used it to pay taxes. But after the taxes were paid, merchants still had accumulated scrip. People declined to take it as small change. The town had to redeem it ... in cash.

Will this happen to Alberta if the Aberhart credit notes are ever issued? Three thousand years of economic history say it is what should happen. If economic history indulged in the awkward habit of repeating itself, Alberta might find itself not with ten million, but with tens of millions of dollars in credits to pay.

How Pay Taxes?

A question that occurs to every man of business is: How would commerce survive at all under the proposed Aberhart turnover taxes?

Mr. Aberhart appears to be convinced that the profits of those engaged in merchandising and processing of goods are so enormous that there would never be any difficulty in collecting these taxes. Also, he thinks that the business activity caused by issue of dividends would allow easy tax collection.

It is noteworthy that a turnover tax becomes enormous because it is cumulative. By the time a product, such as wheat, has been fully processed, it would be possible for the total of taxes on it to exceed the normal value of the finished products.

Worse confounding the confusion, Mr. Aberhart states in his "Social Credit Manual" that, under his "social credit," taxation in Alberta will be reduced!

One of the conundrums not adequately answered by Mr. Aberhart is: How will Alberta carry on trade with other areas of Canada and with foreign countries?

Somewhat obscurely, Mr. Aberhart says that to make payments outside Alberta "social credit" notes could be exchanged for "money orders." Just who would give a money order payable in national currency for a credit note has not been fully explained.

The vital importance of exports of Alberta products is glossed over in the "Social Credit Manual." In places the ambitious little tract seems to assume that Alberta will live entirely off itself. This makes no allowance for the fact that Albertans could hardly eat all the wheat and meat produced in the province, and would need foods, clothing, machinery and what not from areas outside the province.

"Just" Price Problem

Like Major Douglas, Mr. Aberhart has a "just" price. The Alberta demagogue, however, by "just" means a fair price. He proposes to fix prices not only on a basis of consumption and production as Douglas does. Aberhart would fix prices for every sort of goods on the basis of fairness to the producer and consumer.

This price-fixing aspect of the Aberhart scheme extends to control of prices for goods imported into the province. This, for instance, would make it illegal for Albertans to import products at prices below those determined as "just" within the province.

Legality Questioned

No less an authority than the dean of the law faculty of the University of Alberta recently stated that this proposal to fix "just" prices in Alberta would not be possible legally. Further, it is questionable whether Alberta legally could regulate prices of goods imported from other provinces.

In fact, the legality of all major aspects of the Aberhart scheme is open to question. The issuance of credit notes, for instance, may fall foul of the Dominion's control over banking and currency.

Implications of Scheme

Premier designate Aberhart himself states that his "social credit" scheme is not necessarily a detailed plan for Alberta. It is an architect's drawing, subject to alteration to meet Alberta's circumstances.

Some startling implications of the general plan, however, would not necessarily be altered by Alberta's individual economic situation. They include comments indicating that:

All payments received by Albertans in national currency would have to be converted into "social credit" notes;

Interest-free "social credit" loans would be made to pay off present debt;

All wages, incomes and prices would be subject to government regulation;

All imports and exports of the province would be government controlled;

All "social credits" would have to be spent by the end of the year or invested in presumably non-interest-bearing Alberta bonds; and so on.

Simple Is Simple

Mr. Aberhart himself calls his plan "wondrously simple." Since the phrase has a dual meaning, both his supporters and his severest critics can agree with this description.

To the outside student of economics and of "social credit" theories, the Aberhart plan appears even more complex than the evasive obscurity of the Douglas theorems.

It is more than doubtful whether any widely recognized economist or fiscal authority would admit the feasibility of the Aberhart plan. Certainly there is grave doubt whether it is possible legally for the scheme to be put into operation. Financially, it would not be impossible for Alberta to find itself bankrupt even before the scheme could be started. Mr. Aberhart is finding that out.

Editor's Note: In subsequent articles, The Financial Post will further describe and analyze the Aberhart version of Social Credit. Readers are referred also to articles in the issues of April 7, April 28 and May 5, 1934; April 27, June 1, June 15, June 22 and Aug. 31, 1935.

Bennett Will Aid Alberta Treasury

From Our Own Correspondent

OTTAWA. — Macedonian cries from the Aberhart Government in Alberta, seeking financial assistance from Ottawa, will be heard and all possible co-operation will be extended to the province to enable any default either on provincial or municipal securities to be avoided.

Alberta's Premier, William Aberhart, on taking office, has found the provincial treasury almost bare and is facing the urgent necessity of finding some $12 millions. His first move, apparently, was to appeal to Rt. Hon. R. B. Bennett for assistance and the prime minister has replied to the effect that aid will be granted.

The extent of this aid—whether it will run to new loans aggregating $12 millions—is undecided and must remain so until conferences have taken place. Mr. Bennett is understood to have expressed keen regret that the province's plight was not brought to Ottawa's attention earlier.

National Motor Show to Open Here Nov. 9

In an effort to iron out the customary year-end slump in passenger car sales, the annual preview of new motor cars sponsored by Canadian automobile manufacturers at Toronto will be held two months earlier this year

All makers plan to exhibit their 1936 models at this exhibition to be held in the Motor Show building at the Canadian National Exhibition grounds in the city of Toronto.

Your New Motor Car

National Show at Toronto to Open This Year on Nov. 9 As Motor Makers Strive to Eliminate Seasonal Slump —Style Prospects for a Banner Year Under Review

Your new car is on its way.

On November 9, Canada's National Motor Show will be formally opened at the Exhibition grounds, Toronto. No official announcement has been made as yet but it is understood that by that time all manufacturers serving the Canadian motor car buyers will have available their new 1936 models for display. Most of them will actually be in production by then.

Not only that, but a few new models are ready to appear almost any day now. Buick, it is said will lead the parade with other General Motors models following close at hand. Some announcements will be made during late September and October and culminate at the big show. Hudson-Essex, for example, are planning a dealer preview for early October if present plans materialize.

Revolutionary Plan

It is an almost revolutionary thing that is being done as there is no precedent for such a general early introduction of next year's models in the world of motordom.

Many years ago (before common action was achieved through the Canadian Automobile Chamber of Commerce) a few manufacturers would place their new products on the market in the fall rather than in the spring. McLaughlin-Buick was a case in point. Most makers, however, took their cue from the seasonal sales curve which says (in Canada, at least) that spring is the time when motoring fancy lightly turns to thoughts of a new machine.

Last year, for instance, 36 per cent of all passenger car sales were made in the two months, April and May. Less than 5 per cent were sold in the months of November and December.

Impetus From U. S. A.

But this very disparity has been a constant source of trouble to motor makers and a vulnerable spot in the manufacturers' escutcheon. Critics pointed to the "feast and famine" nature of the industry. To the fact that it ran at more than top speed for a few months then slipped back toward a virtual shutdown for several months of the year. Export sales tended, in Canada, to even out this peak but still the "dead" months at the year-end prevented most manufacturers keeping schedules anything like uniform.

With this thought in mind, President F. D. Roosevelt approached U.S. motor manufacturers last year and urged that a remedy be found. As a result an agreement was made last autumn to make the experiment in 1935 of an early showing of 1936 models. The motor makers have kept their part of the bargain and the first showing of most models will take place at New York during the week of November 2—just one week previous to the Canadian exhibition.

Plant Under Way

At least one leading manufacturer in the U.S. (Ford) has already reopened his plants and is now tuning up on 1936 production line. Thus September is expected to be the low month for production in the U.S. when the "change-over" from old to new takes place. This will correspond to low levels reached in November of last year. In Canada the picture will not be very different although production here may be a little later than across the border.

New Car Forecasts

What will the new cars be like?

Motor centres are buzzing with rumors and tall stories. Diesel engines, rear-end motors — a new "small, cheap can"—are the favorite and almost perennial subjects.

An interesting angle to the "small, cheap car" is the result of a buyers' survey by "Fortune," which showed 50 per cent of present car owners as saying they would exchange their present model if they could get a "full sized, four passenger car, without unnecessary accessories, having a top speed of 50 miles per hour, giving 30 miles to the gallon and priced (in the U.S.) at $300."

This looks like a fine potential market for the manufacturer who can tackle the job, but so far no one has tackled it. Wallace Campbell, president of Ford of Canada, said last week that for his company to bring out a six-cylinder car would be in his opinion a "retrograde step."

Diesels Not Favored

As to Diesel-driven cars, the viewpoint of Alfred P. Sloan, Jr. president of General Motors Corp. expressed in an interview last week is probably typical:

"I'm not sure the Diesel will come in the passenger field at all," he said. "It's a question of economic justification and depends almost entirely on taxation. If gasoline was abandoned as a motor fuel and fuel oil substituted it would seem to me that a heavy tax would be put on oil and nothing would be gained. The politicians wouldn't let the billion and a half dollars on gasoline taxes be lost through the substitution of a new fuel. General Motors is already experimenting with Diesels, however, in the airplane, locomotive and heavy truck field."

Wallace R. Campbell, president of Ford Motor of Canada, made a similar comment in Toronto recently when he said: "Diesel engines are all right for heavy vans but are not practical for automobiles."

Few Changes for Ford

Mr. Campbell had this to say about his company's 1936 models:

"Our car will not be subject to radical changes. There will be none of this aeroplane-speed streamlining—just modified streamlining. We are paying a great deal more attention to metallurgy than the streamlining although certain forms of streamlining are good. We are improving our method of building cars each year, but more important we are improving the materials that go into them."

Nothing Radical?

One observer who has actually viewed two new offerings (not Fords, incidentally) confirms this—at least as far as one other manufacturer is concerned. "More refinements, better lines," he says, "but nothing radical."

There will be plenty of variety, though, in the new offerings, with at least one maker (Hudson-Essex) planning important changes in design for the new year.

Another straw which may show which way the wind is blowing is the public preference for the style trend as shown in another "Fortune" survey in the U. S. this year. Car owners showed marked preference for the style trend of the three leaders Ford, Chevrolet and Plymouth while another substantial group voted for Pontiac and Oldsmobile "lines" even though they couldn't afford the higher price class. The survey incidentally was for cars selling in the United States at under $1,000 which apparently excluded in readers' minds, cars such as Buick and Chrysler. Actually both these makes have products selling under the $1,000 mark.

Shatterproof Glass

One definite development for 1936 will be an almost universal use in Canada of complete shatterproof glazing. The specific urge is the new Ontario law which makes this obligatory in that province on new cars after the middle of 1936. General Motors are known to have ordered a complete job on all windows of all cars and it is likely that the same will hold true of other makers, even though the law is not yet proclaimed. This will lead to even greater emphasis this year on the "safety" factor in the new models.

Price Prospects

Prices, as usual, are shrouded in complete mystery. Many manufacturers do not actually attempt to set them until production is actually under way. This permits a complete costing picture from the start. Very few makers announce prices until the time of the motor show—some even do not have them then, for all makes.

In Canada the price situation may be complicated by a change in government. By the time of the show the general election will have been held and in the event of a change in government, motor makers may be faced with the prospect of a lower tariff on their product. All this is very nebulous, however. Admittedly many makers shaved their profits (per car) during 1935 to meet competitive conditions and would like to see some improvement for next year. On the other hand greatly increased production during the year may have offset this considerably.

Big Gains Expected

In the first six months of 1935, Canadians spent $56 millions for new passenger cars—a 24 per cent gain over corresponding figures the previous year. For the remainder of 1935, manufacturers expect equally satisfactory returns—particularly as the year-end figures (boosted by the new models) should be well atop the "dead" months of a year ago. For 1936 they look toward another banner year and point to the tremendous replacement market that has been created by the buyers' holiday of the past six years.

Typical is the pronouncement of H. A. Brown, vice-president and general manager of General Motors of Canada who last week forecast a market in Canada for 730,983 motor cars in the next three years. This huge total compares with actual sales of less than 250,000 cars in the past four years. He estimates the industry should reach its 1929 peak by 1937 at the present rate of recovery.

This view is confirmed by Jno. D. Mansfield, president of Chrysler Corp. of Canada, who told The Financial Post this week that he looked forward to increasingly good sales. "People are tired of doing without," he said. "There is a huge unsatisfied market made up of accumulated needs. It is psychological rather than statistical. I expect 1936 will produce the cash and confidence to tap this market.

"We're getting ready to meet this with our $350,000 plant addition which started this week."

Plant Expansion

With this in mind millions of dollars are being spent in new plant facilities by leading Canadian manufacturers. Ford of Canada, for example, built a new electric furnace foundry at the first of the year. It is also spending $2 millions in a power plant modernization programme. General Motors of Canada is spending $300,000 to enlarge plant equipment, while this week Chrysler Corp. of Canada commenced a $350,000 addition to its Windsor plant to bring more of its manufacturing operations within its own plant and enlarge production facilities.

Yes, your new car is on the way.

Douglas Theories

Inventor of Social Credit Preaches a Permanent Deficiency of the Public's Purchasing Power

Major Clifford Hugh Douglas, inventor of "social credit," bases his theory of money and prices on the belief that there is a permanent deficiency of purchasing power under the modern credit system.

This deficiency arises, says Douglas, because the amounts disbursed to workers for their toil is never as much as the value of the goods they produce. Therefore, he says, the populace is unable to purchase and consume its own products.

He explains by what is known as the A + B theorem. In any industry there are A payments and B payments, he says. The A payments represent disbursements to workers, wages, salaries, commissions. The B payments represent payments for materials, interest, depreciation, machinery and so on.

Deficiency Claim

Both the A and the B payments enter into costs, says Douglas. Hence, he claims, while costs upon which prices are based equal A + B, disbursements to workers only amount to A. The B payments, he says, swell costs and provide no purchasing power. Therefore, Douglas claims, there is a permanent and progressive deficiency of purchasing power equivalent to the B payments.

The Douglas theory does not allow that payments for interest, machinery and so on result in distribution of purchasing power. It theorizes that these payments get into the hands of the money and banking system in progressively increasing amounts.

Slaves of Finance

Douglas seems to think that all mankind is working for a financial system which eventually will own everything. The question that immediately arises is: "How has our system worked so long without breaking down completely?" Douglas and his disciples think it has broken down.

Orthodox economists concede that Douglas is partly correct. They admit that at times there may be a shortage of purchasing power and that this has been a factor in the current depression. They also claim, however, that at times there may be an excess of purchasing power. This, to Douglas, is impossible.

Douglas Cure

Douglas has a cure for his alleged permanent deficiency of purchasing power. Oddly enough, it does not aim at making up the B payments which he argues account for the shortage of purchasing power. Instead, the Douglas cure is to reduce prices on a national scale to what he terms the "just" price.

It is noteworthy that "just" is not used by Douglas to mean "fair" or "reasonable." This is a point of difference with Aberhart. By "just" price, Douglas seems to mean "correct."

Problem in Division

In determining his "just" price level, Douglas appears to believe that the entire national production (or the equivalent in goods acquired by importation in exchange) should be consumed. His formula for reducing prices is derived from the answer to this little problem in division:

$$\frac{\text{national consumption}}{\text{national production}}$$

If consumption, for instance, were found to be only 75 per cent of production, then prices, he says, should be reduced by 25 per cent. Merchants would be reimbursed for the decrease of prices with new money issued by the government. If this caused prices to rise, the subsidies to the merchandisers would stop.

Critics of the Douglas scheme say that issue of currency such as he suggests would be inflationary and would tend to create a boom. Cessation of the subsidies, they say, would cause a collapse, just as credit shrinkage causes depression under the present financial system.

Obituary

William Stone, director of William Stone Sons, Ltd., the Bank of Toronto, Canada Mortgage Corp., Manufacturers' Life Insurance Co. and Canada Permanent Trust Co., died in Ingersoll, Ont. Born in 1856 in England, Mr. Stone was in his 79th year.

William Junor, well known importer of china and glass, died Sept 1 at Toronto.

Candid Catalogues

Mail Order Houses Put Women First — Wheat Crop and Election Hold Key to Prospects

It's the woman who buys.

Canada's two leading mail order houses pay tribute to the purchasing power of the housewife in their fall and winter catalogues now being distributed. In each, the first thing that strikes the eye is an imposing array of ladies' wear, aimed to make any self-respecting woman feel clothes conscious and any self respecting man, perhaps, blush. Simpson's put mere male right at the back of the volume; Eaton's are a bit more lenient.

Cover designs are most impressive. Eaton's have chosen a flaming torch on a purple background. In the centre of the torch is inscribed the motto, "The greatest good to the greatest number." This is stated to be the guilding principle of its mail order service just as it was the guiding principle of the store's founder, Timothy Eaton. Simpson's selection, on the other hand, is a blue-eyed blonde depicted on a solid dark blue field. This cover also bears a motto: "A great city store in your home."

Just what will be the outcome of fall business? Executives are extremely wary of making any definite forecast. They are agreed, however, that in the main two factors will determine whether the next few months will be profitable.

First of all the wheat situation has a very definite bearing on mail order business, through the obvious interlocking of crops, purchasing power and department store sales. Consequently, developments in the agricultural field are being watched with keenest interest. While prospects of a bumper wheat crop earlier this year have been offset by more recent developments, indications are that Canada's present surplus will be substantially reduced before next year. More than ever the Canadian west remains the big field of the department store mail order business, rural eastern sections being taken care of to a greater degree by branch stores, easily accessible by motor.

The second question mark is the political outlook. If a decisive result is forthcoming in the election next month, it is believed that confidence would be raised to a most encouraging level, irrespective of which of the older parties may be returned. On the other hand, if one of the more radical parties should win, it is stated that prospects might not be so hopeful. At any rate, until after the election, there must be some uncertainty as to possible changes in the terms of trade, custom duties, marketing schemes and a host of other factors which may influence business.

Present legislation arising from the Price Spreads Investigation does not alarm department store heads. They take the position that existing conditions in their concerns are such that any new legislation does not involve issuance of new instructions.

'Peg Electric

Five Hurdles Still Remain in Long Road to Reorganization But No Checks so Far

Five important hurdles must be leaped by the reorganizers of the Winnipeg Electric Co. group of companies before the main objective is reached of a fully integrated company having a bonded and banking indebtedness which it can handle. All the anxieties and troubles of the period of revamping the capitalization of these companies so as to do approximate justice to all groups of security holders cannot be entirely things of the past before 1936. It is hoped, however, that early in 1936 the plan will be operative and the company in a far better position to serve the Winnipeg district than it has been for some years.

Five Steps Outlined

Hurdles still to be surmounted are as follows:

1st, adjourned meeting of holders of Manitoba Power Co. 5½ per cent first mortgage bonds on October 10;

2nd and 3rd, if a 70 per cent vote is obtained in favor of the plan at the Manitoba Power Co. bondholders meeting, the preferred shareholders and the common shareholders will be called together by about the middle of November, it is expected, so that each of these may pass on the plan;

4th, the new first mortgage and general mortgage bonds have to be constituted, trust deeds drawn up, agreement on details and wording secured from English and other bondholders and other legal matters requiring time be looked after;

5th, orders have to be obtained from the Court of King's bench of Manitoba at Winnipeg as this court has to approve the plan under the Canadian Companies Creditors Arrangement Act and also under the Manitoba Companies Act. Some of the existing trust deeds do not give power to modify the terms and for that reason court orders are required as well as votes of security holders in meetings regularly called.

Big Holders Accept

The various protective committees and the central committee representing all of these are optimistic that these hurdles will be taken without difficulty. The principal source of encouragement is that there has not yet been an adverse vote by any group of bondholders. The plan has been accepted by majority holders of $10 millions 6 per cent A bonds of Northwestern Power Co., by $8.8 millions of bonds and debentures of Winnipeg Electric Co. represented at meeting out of $13 millions outstanding, by $500,000 bonds of Suburban Rapid Transit Co. and by $25,000 bonds of Winnipeg, Selkirk & Lake Winnipeg Ry. out of $44,500 still outstanding.

At the Northwestern Power Co. meeting on August 13, W. A. Arbuckle, representing English bondholders, moved that the meeting should be adjourned until other classes of bondholders had declared themselves. When that was defeated he then voted for the proposal, stating that he was authorized so to do if delay could not be secured. The sense of the meeting was that if one group tried to stall decisions until other groups decided what they would do, all could take the same course of inaction.

Even the adjournment of Manitoba Power Co. has not been a discouraging thing. The original $12.5 millions of these bonds received a more complete and wide distribution than any other class. There are more small holders of amounts in $500, $1,000, $2,000 and $3,000 denominations than in any other group. The 21 days notice required by the trust deed is a very short notice under the circumstances and the committee was agreeably surprised that $5 millions out of $12.5 millions responded in time for the meeting. Those who came in with their bonds at that meeting were mainly the largest holders who were accessible to members of the committee and who were able to discuss the whole matter with their representatives on the protective committee. Most Canadian holders have sent in their proxies.

U. S. Imposes Obstacles

So far no adverse element has been made evident. The difficulty is to get to the many holders and apprise them of the situation. The trust deed requires 70 per cent in favor or about $8.5 millions of the amounts now outstanding. The new United States federal securities law is a real stumbling block to placing the whole question fairly and squarely before the United States holders. Unless the company registers under the new law it is impossible for it or the committees to circularize the bondholders or to employ agents to get proxies from the bondholders.

The cost of registering is practically prohibitive, judging by those who have already complied with all regulations. Some companies have found themselves landed into bills of expense running into hundreds of thousands of dollars. Even the indirect expenses are large as filling up large wads of questionnaires and paying fees for advice as to what to do to comply with the law in all respects. The company cannot ask for proxies and it cannot employ an agent to ask for it. It can send over its own officer to talk with individual bondholders but it cannot circularize them. It is a very serious disadvantage and all the more so because the bonds have been so widely distributed. A few insurance companies have some large blocks of bonds. These companies can be seen easily and their adherence to the plan is expected.

So far as the bondholders are concerned all have assented to the plan except these Manitoba Power bondholders. The $5 millions represented at the first meeting were favorable. There remains for solution only the problem of getting 70 per cent actually to send in their bonds.

The proportion of consent secured already shows that as far as the bonds are concerned the plan is regarded as a fair one. Action of bondholders may be hastened by the action of the Winnipeg City Council in passing a resolution asking the law officers of the city to draw up the necessary by-law to bring the Manitoba Power Co. contract to an end in 1937. That would make an enormous difference in revenue available for bond interest if the company remained independent and separate from the rest of the group.

No Concessions

A Winnipeg Electric Co. preferred shareholders committee, organized for another purpose, has recently been studying the situation to see if better terms could not be obtained for the preferred stock. No one knows just what the attitude will be of the majority holders of the $5 millions 7 per cent preferred stock outstanding to the proposal that they should receive a new preferred stock share for share and also one half a share of Class B common stock. If the plan does not go through the Winnipeg electric group of companies will go into bankruptcy and the preferred and common stocks under such conditions, it is admitted, would get nothing. The preferred shareholders could destroy the plan by withholding assent and destroy any hope at the same time they may have of getting a share in any future prosperity the company may be able to gain.

The bondholders will make no further concessions. It is claimed on their behalf that the plan goes further in favor of the preferred stock than it should do if the strict rights of the bonds and debentures were considered. All these are senior to the preferred stock in rights and guarantees and concessions are only made because it is realized that the preferred stock was sold to customers of the company and that therefore it is good business to do something for them. Northwestern bondholders say they have waived three years interest, or about $2 millions, to the benefit of the preferred and have cut down the rate of interest to 4 per cent. Other bond issues have likewise cut the interest rate.

With these substantial waivers of debt, bondholders claim the preferred shareholders are well treated when they get a share that may pay $4 a share for seven years if earned on the preferred stock and $5 a share after that. The preferred committee referred to wants the stock made cumulative but it is urged that this would only be making possible another "future" situation if matters do not work out as expected. It is to the advantage of senior as well as junior securities that the company shall be strengthened in every possible way.

The preferred shareholders also asked to have a representative on the board but it is intended to have the bondholders represented to the extent of 50 per cent of the board and the company the other half.

City Offers $25 Millions

The only alternative suggested is that the city of Winnipeg should buy out the company at a fair price. A part of the City Council is in favor of that being done but the price tentatively mentioned has been between $25 and $30 millions which would give the bonds only 70 per cent of their face value and accumulated interest and give the preferred and common stocks nothing. The city has been selling power to the consumer at less than cost. Last year the city had a loss of $350,000 on its municipal system and it is almost certain that it would raise rates if it bought in the Winnipeg Electric system as the general body of taxpayers would object to paying part of the bills of consumers through the tax route. Even if the Winnipeg Electric plan is as successful as expected, such an adjustment of rates is expected but probably not as high as it would be if all competition were removed.

The other plan is for the Manitoba Government to take over the transmission of power from the company just as the Ontario Hydro-Electric Power Commission does. It would buy power from the company. That would still make it essential for security-holders to unite on the offered plan.

Life Insurance News

LEADING AGENTS OF LONDON LIFE JOIN IN JUBILEE

Largest Membership of Club Since 1925 Convenes at Head Office

Special Correspondence

LONDON.—More than 225 people attended the joint convention of the "24K" club of outstanding producers and agency managers of the London Life Insurance Co. held here last week to celebrate the diamond jubilee of the company and the attainment of more than one-half billion dollars of life insurance in force.

Ninety-three men achieved membership in the "24K" club this year—the largest number since 1925. In the chair was Irving Riddell, C.L.U., of Montreal, president of the club, supported by P. Cormier, of Sydney, the industrial vice-president, and A. P. MacLean, of Regina, the ordinary vice-president.

Attend Luncheon

J. Edgar Jeffrey, K.C., president of the company, made reference to the early days of the company and its rapid growth during the past two decades, at a luncheon attended by all members of the convention and officials of the home office. The main address was by Edward E. Reid, vice-president and managing director, on the subject "The London Life and its Field Force after 60 Years of Experience."

Mr. Reid commented on the pioneering which the London Life has done in the insurance business. He said:

"Even as a company of very small size and of insignificant influence in the life insurance counsels of the country, we pioneered in the adoption of a very rigid basis for the preparation of annual reports. Among Canadian companies, London Life pioneered also in the introduction of low participating rates. The history of that move, if fully written, would embrace a multitude of interesting incidents.

Industrial Pioneering

"In the industrial branch the company showed from the very first its fearlessness and its pioneering spirit in adopting plans, rates and regulations which in some respects at least were new to the insurance world in those days. Perhaps the most notable of our pioneering efforts in the industrial branch in recent years has been the introduction of our "Super-Service" series of policies. In this series, policies of $1,000 and more are issued at weekly premiums, varying, of course, with the age.

"The popularity of these policies is strongly evidenced by the fact that over 42 per cent of our business in force at the present time consists of Super-Service policies."

Actuary Reviews Six Decades

At a subsequent business session J. D. Buchanan, assistant general manager and actuary, discussed events and developments of the past sixty years in their relation to the institution of life insurance. He showed how the London Life had passed through several major depressions, wars and at least two great epidemics without injury to its financial structure and even with enhanced reputation.

Looking toward the future, Mr. Buchanan said:

"The events of recent years which have made such a deep impression on the minds of the public are likely to have an important influence on the future of life insurance. For example, the tragedy of unemployment has pointed out the need of training young people by giving them a good education. This can be most effectively accomplished by life insurance. Also, the heavy losses which men have experienced in securities formerly considered high grade have been in sharp contrast to the security of life insurance and impressed on them the value of life insurance to provide a fund for old age. During the recent depression, while men worried about the loss of their fortunes, it was a great comfort for them to know that life insurance was still worth one hundred cents on the dollar."

Fifteen minute talks were given by:

J. J. McSweeney, city manager, Toronto, on the subject "Thirty-five Years Ago and Now."

F. C. Morrow, manager group agencies, on "Grasping the Group Opportunity."

E. O. Walker, district manager at Regina, on "What I Think of the Life Insurance Business."

W. F. Bagnell, superintendent at Sydney, on "Opportunities for Service in Life Underwriting."

J. O. Laird, district supervisor at Windsor, on "How I Keep Going."

Standard Life Sales Gain 25 Per Cent

A 25 per cent gain in new business in Canada is reported for 1935 by Standard Life Assurance Co. The figures were disclosed at a one-day sales conference of the company's western Ontario representatives held recently at London.

E. Lindsay Armstrong, of Montreal, agency manager of the company for Canada, was the principal speaker of the meeting.

Confederation Official To Speak at Chicago

V. R. Smith, general manager and actuary of Confederation Life Association will be one of the chief speakers at the annual meeting of the American Life Convention to be held at Chicago, October 7-11.

Mr. Smith will discuss the problem of "The Readjustment of Life Insurance to Declining Interest Rate."

United States
Fidelity & Guaranty
Company
TORONTO

Executive Assistant

W. J. BEATTIE

Member of the legal firm of McCarthy & McCarthy, Toronto, who has been appointed executive assistant of the Canada Life Assurance Co. Since 1924 he has been general solicitor of the company.

Closer Government Check Urged on Agency Licenses

Quebec Superintendent Deplores Heavy Lapsation of Life Policies — Seeks More Information on "Floater"

From Our Own Correspondent

WINNIPEG.—Definite suggestions toward eliminating some of the evils of agency turnover and aiding in the conservation of life insurance in Canada were made here this week by B. Arthur Dugal, insurance superintendent for Quebec province at the annual conference of the provincial superintendents of insurance.

"Loss of life insurance is of such serious social importance I am much concerned about the amount of business going off the books by surrender and lapse," he said. "I believe the turn-over in agency organization is a contributing factor. At the same time the public should understand the position and should co-operate with the companies and insurance departments in eliminating the evil.

Huge Lapsation Noted

"Last year in Quebec province, no less than $296 millions of insurance was terminated by surrender, lapse or expiry. Against this, only $14.5 millions was paid out in 'natural' terminations. The former total was divided as follows: $100 millions terminated by surrender; $11.3 millions by expiry and $87 millions by actual lapse.

"It is hardly fair to throw all the blame on the insurance companies or their representatives. The public must assume its share of responsibility. Policyholders themselves are the ones who have actually authorized the cancellation. Such withdrawals cannot be forced without the consent of the policyholder.

Some Value Received

"Naturally some surrenders may represent a valuable benefit to a policyholder and his dependents. For instance in 1934 in Quebec, insurance of the face amount of $100 millions was surrendered for cash. The payment involved, amounted in that year by way of these cash values, was a net amount of $20.5 millions. This large amount of cash was undoubtedly applied to avoid distress or difficulty which would have arisen but for the values in the policies.

"There is serious economic loss, however, when discontinued policies are replaced by new policies. Cancellation of one policy to replace it with a new one involves fresh acquisition expense. Thus the cost of the insurance owned by those policyholders who permit such replacement is increased. From the point of view of the companies, as well as the policyholders, useless expense is entailed. If the volume of insurance in force could be maintained without all this cancelling and replacing the cost of insurance to individuals over a period of years would be less.

Why Such Shrinkage?

"Why are not more policies maintained to the end of their full term? In Quebec I find that of the business issued during the past eight years only 44.7 per cent was still in force at the end of last year. The cost involved in issuing new policies to replace the old policies unnecessarily cancelled, is another matter which should be brought before the public in the course of our educational efforts.

Agent Offers Key

"The character of life insurance is such that it must be marketed through personal solicitation. Experience has proved that no other way is successful. There is really very little direct contact between the head offices of our companies and the individual policyholders. The agent represents the company. Insurance may even be placed with a certain agent irrespective of the company he represents. The replacement problem, to my mind, arises to a degree in connection with agents transferring from one company to another.

Eliminate Floaters

"I believe certain restrictions ought to be placed upon the movement of agents from one company to another. Of the majority of agents I believe no criticism can be made. There is, however, a percentage of men who transfer from company to company, and it is a well-known fact that many of them take part of their clientèle with them and that, not having any particular loyalty to any one company, they are not over-ethical in matters of switching.

"For the sake of eliminating this small percentage of 'floaters,' I have come to the conclusion that certain safeguards in the matter of the appointment and transfer of agents should be instituted. When looked at over a number of years, this transferring situation appears very serious. Our problem of non-persistency is closely related to the problem of reducing agency turnover. The steadier the agency force then the steadier the business will be. In other words, conservation begins with the agent.

More Rigid Control

"In this country, agents are licensed under provincial authority. Every agent must be licensed. Generally speaking, to date, we have accepted the recommendation of the company. I am just wondering if we should not exercise our authority to a greater degree in making a more rigid selection of those men and women to whom licenses should be issued. If the responsibility for the replacement situation is to a great degree dependent upon the 'floating' agents, then we who licensed these agents must bear our share of the responsibility.

"Indicating that the companies are anxious to help out in the situation regarding turnover of agents, and are willing to co-operate in the matter of elimination of undesirable representatives, I understand it will be proposed that full and complete information concerning an agent's record be assembled and sent to the insurance department in every case where transfer or revival of a license is desired. It is only when we have assembled sufficient information to get a complete picture of an applicant and his mode of work that we can control the type of agent, who in my estimation, is partly responsible for the replacement problem.

"I am strongly in favor of this new suggestion. The thought comes to me that as superintendents we should more frequently use our prerogative of refusal or our power of veto in this matter of issuing new licenses or transferring or reviving old licenses.

Eliminate Unfit

"Further, I believe that an agent who produces an inadequate amount of business is a detriment to the company and to the public, and in the interest of all concerned he should be in some other line of business to which perhaps he is better adapted. Generally speaking, there is a temptation to agents who are not making enough money to adopt unethical practices. This is the thought behind the proposal to eliminate those men whose production is inadequate. It is not in the best interests of the company or the public or the agency force itself to permit agents who are not functioning properly or who are not producing adequately, or who are not working honestly to be allowed to continue.

"A final suggestion is as to the advisability of the companies studying the agent's contract to see if it is not possible to arrange, by elimination of the agent's interest in replacement policies, to make switching definitely unprofitable. If this can be arranged, if the 'floater' can be controlled, and if our educational efforts with the public bear fruit, then a great improvement will, I am sure, be noticeable."

Danger Seen In Weakening Municipal Debt

The damaging effect to Canadian companies of a weakening of confidence in Canadian municipal issues was indicated last week in an address by L. A. Winter, treasurer of the Manufacturers Life Assurance Co. before the annual meeting of the Ontario Municipal Association.

"A government outside of Canada," said Mr. Winter, "which held on deposit for a Canadian insurance company certain securities of a municipality in default, when requesting their withdrawal, stated they would only accept the bonds of the Dominion of Canada in their place.

"As our municipal debentures have always been an acceptable and popular security where such deposits are required, the spread of such a limitation indicating lack of confidence in these securities would be embarrassing to many Canadian corporations."

C. OF C. MEETING SET FOR TORONTO NEXT FEBRUARY

Canadian Trade Body Now at Work Preparing Agenda

From Our Own Correspondent

MONTREAL.—The next annual convention of the Canadian Chamber of Commerce will be held at the Royal York Hotel in Toronto next February 4, 5 and 6.

Convention plans are still tentative. A meeting of the National Council will be held in Toronto this week and it is expected that particulars of the agenda will be available some time next week.

It is proposed to have a number of prominent Canadian speakers at the meeting. In addition ex-Governor Allen, of Kansas, and Harper Sibley, president of the U. S. Chamber of Commerce, have agreed to give addresses.

China Trip Postponed

Other plans of the Canadian Chamber of Commerce have had to be put back on account of the coming elections and the international situation. The trade mission trip to China by representatives of the chamber, scheduled to take place during October and November, will not take place until 1936. No definite date has been set for next year's trip, but a decision may be reached at this week's meeting of the National Council.

Department of Insurance Issues Two New Licenses

Additional certificates of registry have recently been issued by the Federal department of insurance to The Franklin Fire Insurance Co. of Philadelphia and to the British America Assurance Co.

Under its new certificate of registry The Franklin Fire Insurance Co. is licensed to write personal property insurance in addition to the classes for which it was already registered. The company was previously licensed to write fire, automobile, excluding loss by reason of bodily injury to the person, hail, sprinkler and tornado insurance.

The British America Assurance Co., which in the past has been registered for fire, accident, burglary, explosion, guarantee, limited hail, inland transportation, lightning, plate glass, sickness, sprinkler, leakage and tornado insurance, is now authorized to write falling aircraft and earthquake insurance. The latter is limited to insurance of the same property as is insured under a policy of fire insurance of the company. The company has also obtained a certificate of registry for personal property insurance.

Fire and Casualty News

Suggest Changes Be Made In Accident Policy Forms

While no definite recommendations for revision of existing legislation relating to accident and sickness insurance were made in a report of a special committee to the Association of Superintendents of Insurance at its annual convention in Winnipeg this week several points regarding existing types of policies were brought to the attention of the association.

In presenting the report to the association, Charles Heath, superintendent of insurance for Manitoba, drew attention to the fact that under certain conditions insurers agree to pay doctors' bills, hospital and nurses fees, and in the case of accidents the doctors' bills for operations. Some insurers claim that this means only for the actual operation, excluding subsequent medical attention. Doctors state that no reputable doctor dare risk his reputation by disassociating necessary medical attention from the actual operation and their charge for an operation includes necessary attention. In many contracts the phraseology used in this connection is not clear. The report suggests that some language can be used that definitely states what will be paid and so avoid dissatisfaction and misunderstanding.

House Limitations

Another important point brought out by the report is that in many contracts the payments for full time weekly benefits are restricted to the period when the assured is confined to the house, in some cases even to bed. In many cases, Mr. Heath points out, this is quite satisfactory, but in many other cases, where the illness is protracted and resists ordinary treatment, such a provision strictly enforced to the letter of the contract is not only unsatisfactory "but is ridiculous." As a treatment the doctor in attendance may recommend sunshine, exercise and a change of surroundings, necessitating leaving the house contrary to the provisions of the contract.

The committee also suggests that optional benefit clauses need clarifying. Most accident and sickness policies contain optional benefits, which are lump sum settlements in lieu of weekly benefits.

ONT. FIRE LOSSES DROP 31 PER CENT IN SEVEN MONTHS

Fire Loss in July Totalled $890,943 — Down 20 Per Cent

Ontario's fire loss fell 20.3 per cent in July compared with the corresponding month of 1934, figures compiled by the Ontario fire marshal show. Losses for the month totalled $890,943. Losses covered by insurance totalled $745,227 while losses not covered by insurance amounted to 16.3 per cent of the total. The number of fires dropped from 1,063 to 956.

July Fire Losses

	Loss	Insur. loss	Not cov'd by insur.
	$	$	$
July, 1935 ..	890,943	745,227	145,716
July, 1934 ..	1,118,634	1,006,584	112,050
Decrease ...	227,691	261,357	*33,666

*Increase.

Figures for the first seven months of the year also record a sharp drop in losses from fires, losses for this period totalling $4,726,168. This represents a decrease of 31.6 per cent from the same period of 1934. For the seven-month period losses covered by insurance totalled $4,031,087 and losses not covered by insurance $695,081. The latter figure amounts to 14.7 per cent of the total.

Comparative Loss for Seven Months

	Loss	Insur. loss	Not cov'd by insur.
	$	$	%
Jan.-July, '35	4,726,168	4,031,087	14.7
Jan.-July, '34	6,913,763	5,859,444	15.2
Decrease	2,187,595	1,828,357	34.1

Three large fires occurred during the month. In Toronto, the burning of the Canadian National Railway warehouse resulted in a loss of $142,473. A loss of $89,435 was suffered at the Otterville factory of the Tip Top Canners Ltd. and $116,000 at the Payette Foundry, Penetanguishene.

Comparative figures showing the distribution of the fire loss in the first seven months of 1934 and 1935, as between barns, dwellings, stores and factories, are shown below.

Fire Loss by Classes (Seven Months' Total)

	1935		1934	
	No.	Loss	No.	Loss
Barnes ...	188	$329,645	279	$470,023
Dwellings.	6,990	$1,590,559	7,458	$1,888,029
Stores	623	$988,760	773	$1,212,304
Factories..	229	$699,354	260	$1,276,032

P. E. I. Superintendent Receives Rapid Shift

Intervention of a general election is responsible for the announcement that W. E. Cotton, slated to be insurance superintendent for Prince Edward Island will not assume his duties and that the office will be filled by Major P. S. Fielding.

R. Leighton Foster, secretary of the Association of Superintendents of the Provinces of Canada reported in a press release on August 1, that W. E. Cotton had been appointed to succeed H. R. Stewart. With the return to power of a new government a few days after the appointment, Mr. Cotton did not assume his new duties which are now to be undertaken by Major Fielding.

Sovereign Life Assurance Co. reports production in July gained 37.8 per cent over the corresponding figure last year.

B. E. BAINARD has been appointed manager at Brandon for the Great West Life. He succeeds R. H. WRIGHT who has resigned due to ill-health.

AGENTS' BALANCES OVERDUE 90 DAYS DECLINE IN QUEBEC

Decrease 42 Per Cent — Fewer Agents in Arrears at June 30

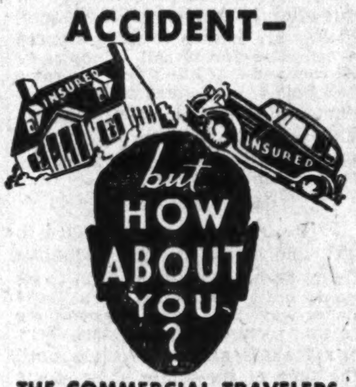
A decrease of 42 per cent in the amount of agents' balances more than 90 days overdue at June 30 last as compared with Sept. 30, 1934, is recorded in a recent report of B. Arthur Dugal, Quebec superintendent of insurance. The aggregate amount of balances in this category at June 30 amounted to $294,767 and at Sept. 30, 1934, $508,583.

It should be noted that the returns as at June 30 are much more complete than at Sept. 30, 1934. Two hundred and thirty-one companies or their general agents were asked to make the return. Two hundred and twenty-five, or approximately 97.4 per cent, complied. As at Sept. 30 last year only 75 per cent of the companies made returns.

Marked improvement is also shown in the number of agents owing balances. In all 662 agents were reported to be in arrears as at June 30 on one or more returns. At Sept. 30, 1934, 817 agents were reported in arrears.

Statement of Arrears Reported Against Agents

	June 30, 1935	Sept. 30, 1934
Under $1,000	600	708
Over $1,000	29	43
Over $2,000	16	25
Over $3,000	3	10
Over $4,000	4	8
Over $5,000	8	17
Over $10,000	2	6
	662	817


INSURED AGAINST ACCIDENT—

THE COMMERCIAL TRAVELERS
MUTUAL ACCIDENT ASSOCIATION
of AMERICA
H. E. TREVVETT, Secretary
140 Wellington Street, OTTAWA, ONTARIO

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters
FRANK E. HAND
Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE LIABILITY WINDSTORM SPRINKLER LEAKAGE DOCTORS' AND DENTISTS' LIABILITY AUTOMOBILE PLATE GLASS
Head Office—WAWANESA, Man.
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Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

A MAN LIVES TOO LONG . .
if his old age must be spent in poverty and want.

HE DIES TOO SOON . .
if he has not made proper provision for the continued comfort of his family.

Life Assurance affords protection against each of these possibilities.

By means of one of the easy SUN LIFE plans, a man can be assured of an income for his own later years if he lives, or for his family's needs if he dies.

Your nearest SUN LIFE representative will be pleased to draw up a plan to suit your own particular requirements on request.

Sun Life Assurance Company of Canada
Head Office: Montreal

Municipal Finances

Cranbrook, B.C., council earlier this year sold all its $30,000 of Alberta bonds and invested in B. C. debentures. Fear of radicalism in Alberta caused the liquidation.

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St. Joseph D'Alma, Que., has been authorized to pay coupons due Jan. 1, 1935.

• • •

St. Boniface, Man., sinking fund amounted to $2,209,042 at the end of last year, but $1,671,090 of the total was a loan to the city of St. Boniface which is in default. Hence the surplus of $114,560 in the fund is considered only nominal. Included also in the fund is $30,027 of overdue interest and $74,312 of real estate acquired through foreclosure.

• • •

Port Arthur sinking fund held $727,518 par value of securities other than Port Arthur bonds at Aug. 23. Main holdings were $304,000 in Saskatchewan bonds, $207,890 in Alberta securities, and $161,000 in B.C. bonds. The city has debentures of $237,000 maturing in 1936, and holds sinking fund securities of $356,044 maturing in the same year. In 1937, however, city debentures maturing total $450,500 against only $198,764 of sinking fund securities maturing in that year.

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Vancouver property assessments are 40 to 50 per cent too high, according to G. A. Martin and A. R. MacKenzie who recently reported on valuations. Of the total assessment of some $270 millions, about $160 millions is for improvements and $110 millions for land. Rental revenue from the property is $21.5 millions annually. In appraising total value, the report deducts $8.6 millions for taxes and $3.2 millions for depreciation from rental revenue. Then, capitalizing the remaining $9.7 millions at five per cent, the report finds total assessment should be about $193.4 millions instead of $270 millions. For the city to budget by assessing rental revenue would require a levy of about 40 cents on one dollar of rent, the report estimates.

• • •

Edmonton utilities had net surplus profits of $492,175 in the first seven months this year against $460,790 in the same 1934 period.

• • •

Jonquiere, Que., school corporation is paying all interest coupons due on or before Nov. 1, 1934.

• • •

Jonquiere, Que., is paying all interest due on or before May 1, 1935.

New Industries and Plant Extensions

Compiled Weekly
By The Financial Post

Canadian International Paper Co., Temiskaming, Ont., will spend $300,000 in alterations in the plant to extend the use of "cloat," a liquid preparation obtainable in England, which produces white pulp and makes material proof against change in color in the manufacture of rayon silk. The company will also spend $50,000 for new stokers and $50,000 for 20 dwellings for employees.

• • •

The Toronto Industrial Commission announces that:

L. A. Young Industries of Can., Ltd., will establish the entire furniture manufacturing division of the company in Toronto, the factory to be at 187 Geary Ave. Previously both automotive and furniture divisions were located at Windsor. Parent company is L. A. Young Spring & Wire Corp., Detroit.

Dartmouth Population Gains

An increase in population of nearly 1,500 in the Town of Dartmouth, N.S., during the past year is indicated by the publishers of the Halifax City Directory.

Circulation!

For the issue of September 15, 275,525 copies were printed— 50,025 more than for the same issue last year.

This remarkable increase reflects public response and approval of the editorial policies and the new low price of Maclean's.

Paid-up subscriptions during the last year have grown by more than 35,000 which tells its own story.

Maclean's Magazine has won its circulation through editorial merit. It continues to grow because of its sustained reader interest. Its audience is the substantial element of every community, which accounts for the tremendous advertising power of—

Maclean's
Canada's National Magazine

Cruise to the
FOUR
corners
130 DAYS — 31 PORTS
FROM NEW YORK JAN. 9

Want to visit famous places in every corner of the world? And go in complete comfort? Then reserve an apartment *now* on the *Empress of Britain* World Cruise, the supreme travel experience. See eight Mediterranean cities, the Holy Land, Egypt ... fabulous India, Siam, and Java. Bali for two days. The Philippines, China, Japan ... and home via Hawaii, the Golden Gate, Panama Canal, and the West Indies.

Go on the world-famous liner that has more space per passenger than any other ship afloat. Typical apartments are 28 feet long, 70% have private baths. $2150 up (apartments with bath from $3800), including standard shore programme.

Empress of Britain
WORLD
CRUISE

Cruise down the
BYWAYS
of the world
95 DAYS — 23 PORTS
FROM NEW YORK JAN. 25

Do you prefer to travel off the beaten track? You'll like this fascinating cruise down and around Africa. See famous ports in the Mediterranean ... then Mombasa, Zanzibar, Dar-es-Salaam, Durban, and Cape Town. Go round Cape of Good Hope, and return by way of gay South American cities and the romantic West Indies. A real adventure cruise!

The luxurious *Empress of Australia* is ideal for southern cruising. Real beds. Famous cuisine. $1350 up (rooms with bath from $2350), including standard shore programme.

Empress of Australia
AFRICA
SOUTH AMERICA
CRUISE

Information, maps, plans from your own travel agent or
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Steamship General Agent,
Canadian Pacific Bldg.,
Toronto

CANADIAN
PACIFIC

Your Investments

What We Do:

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

Fanny Farmer

Can I count on a dividend of 50 cents a share if I retain my Fanny Farmer shares?

As you may have noted from frequent reports in The Financial Post, Fanny Farmer Candy Shops is showing increasing sales and profits this year and may earn over $1 a share. This means, of course, that the present 50-cent-a-share dividend is being well protected.

Hinde & Dauch

Is Hinde & Dauch doing well enough to warrant retention of the stock?

Hinde & Dauch Paper Co. had the best year in 1934 since 1928. Hence, common dividends have been resumed. The company is believed to be having satisfactory experience in the current year.

Standard Paving

I hold Standard Paving and Materials preferred and common shares and wonder whether dividends are likely to be resumed.

Standard Paving and Materials has been doing poorly. There is no early prospect of preferred dividends, and common dividends are somewhere in the stratosphere. Officials of the company were not particularly optimistic about prospects early this year. Substantial recovery in the building and construction trades will be necessary before this company will make very great progress.

Massey-Harris

I am interested in Massey-Harris preferred and wonder whether you think conditions indicate any likelihood of a dividend payment. What are prospects for an improved price for the shares?

Massey-Harris Co. has been having increasing earnings during 1934 and in 1935 to date. It is uncertain just how drought and rust in western areas will affect sales, but they will certainly have a considerable effect in the regions affected. The company hopes to do a little better abroad.

The dividends on the preferred stock have not been earned. The company has not been able to even meet the sinking fund payments on its bonds. It has paid interest to date and it will have to get in a position to restore the sinking fund before it will be able to pay dividends on the preferred stock.

It appears to us as likely that the price situation will have to improve for the principal farm products before Massey-Harris gets its full recovery. That also means that the situation created by a large wheat surplus in Canada will have to be liquidated in some way. But a wave of agricultural prosperity would probably take Massey-Harris preferred up along with it.

Industrial Alcohol

Are there any possibilities of Industrial Alcohol Co. paying a dividend on its common stock? I have held shares in this company for some time and in view of the recent advance in price, I have been wondering whether or not the stock is worth the price at which it is selling.

The management policy of Canadian Industrial Alcohol Co. for some time past, has been apparently to liquidate the large stocks of alcohol with a view to cleaning up bank loans and distribute the proceeds to the shareholders. Reports to date would indicate that the company has sold a substantial amount of its alcohol stocks and with the proceeds liquidated part of bank loans. So far there is no indication of a payment being made to shareholders but this is expected to take place as soon as the cash is available. This may be somewhat distant since the company will only receive payment for its sales over a period as deliveries are made.

Gypsum, Lime

It would be appreciated if you could give us a brief report on earnings of Gypsum, Lime and Alabastine. We are particularly interested in the bonds and would like to know if interest charges are being covered by the company.

Gypsum, Lime and Alabastine, Canada, current reports are to the effect that no major change is anticipated in earning power during the fiscal year which ends November 30 next. Last year the company reported net income of $350,064, which after certain senior charges was sufficient to take care of bond interest 1.50 times after bank interest but before depreciation, while the bond interest was covered 0.77 times after bank interest, depreciation and depletion. There have been no earnings or dividends on the common stock since 1931.

Imperial Tobacco

I have $500 to invest and am considering purchasing stock in Imperial Tobacco Co. of Canada. I notice the stock is selling at less than 15. What do you think of this security?

Imperial Tobacco Co. of Canada's common stock is well regarded as an investment medium. While its market value appears to be low, it should be remembered that the par value of the stock is only $5 so that at present it is selling at a substantial premium.

This company controls a large part of the tobacco business in Canada and its record of earnings over a period of many years has been a satisfactory one. Regular dividends have been maintained throughout the depression and there is no information, official or otherwise, of any marked change in earning power. The stock of this company is closely held for investment purposes, speculative interest being negligible. It might be mentioned in passing that the market action of this stock throughout the depression, has been the best of that reported by any Canadian common stock. At present it is selling near a record high price.

United Amusement

I have not been able to get any information lately on earnings of the United Amusement Corp. I hold some of the bonds of this company and as a subscriber to The Financial Post, I would appreciate any information you may have in your records.

Last year United Amusement Corp. reported net earnings of $199,368. While this was less than in the preceding year, interest on the first mortgage bonds was covered 2.59 times before depreciation and 1.59 times after depreciation. Up to that time, the company had a consistent record of earnings on bond interest by a very comfortable margin.

For the first six months of 1935, we understand the bond interest was earned over 3 times before depreciation and about 2½ times after depreciation.

Eastern Dairies

Being a subscriber to The Financial Post, I would like to have your views on the preferred stock of Eastern Dairies. Do you think there is any possibility of the dividend being paid this year?

Eastern Dairies has had to contend with problems common to the dairy industry in the last year or two. Lower prices, higher costs for milk, and bad debts have all contributed to holding down net earnings. The operation of subsidiaries in Winnipeg, Toronto, Hamilton, and elsewhere have not been too profitable of late and the earning power of the parent company has been only sufficient to take care of interest requirements on its funded debt. There does not appear to be any likelihood of an immediate resumption of dividends on the preferred stock.

Reliance Grain

I would like your comment on the preferred stock of Reliance Grain Co.

Reliance Grain Co. has been able to record a marked improvement in its operating profits in the last four or five years. Following the collapse of earning power in 1930, when income dropped to $110,132 as compared with $1,049,935 in the preceding year, revenue has been built up until in 1934 it reached $677,924. Net income in the last year, for the first time in five years, was sufficient to cover the preferred dividend. In considering the position of the grain companies, it is necessary to give thought to the possible policies to be adopted by the new Canadian Wheat Board. So far this governmental body has not made public its plans, but it would appear advisable to keep yourself informed in the case of any possible adverse developments.

Windsor Hotel

Interest payments on my bond holdings in the Windsor Hotel Co. have been deferred and, as I have received no detailed information from the company, I would like to know if you have any news on this enterprise which might be of interest to me.

Windsor Hotel Co. has had to contend with the same problem as the Mount Royal and other Montreal hotel companies. There is very little that can be done by the management, as an improvement in the company's position can only occur through an increase in patronage. The hotel companies in Montreal have made every effort to stimulate the volume of business, but until such time as there is a change in the travelling habits of the public, little can be done. As you are aware, the company has failed to pay interest and sinking fund on its funded debt. To date a bondholders' protective committee has not been formed, though some of the large bondholders have interested themselves in the operation of the property. The attitude taken is that bondholders committees are expensive and as nothing of a major sort can be done to improve the position of the company, there is little value in forming a committee and creating additional expense for the company.

Gatineau Power

In view of the difficulties being experienced by the Quebec Utility companies holding Ontario Hydro contracts, I would be glad to have your opinion on my holdings of the 6 per cent debentures of Gatineau Power Co.

In the event that the Ontario Government wipes out all power contracts now held by Gatineau Power, it is doubtful if the company could continue to pay interest on its six per cent debentures. This development is unlikely, however, for the Ontario Hydro needs the 60-cycle power purchased from Gatineau, and there is a strong belief that the Commission also requires some of the 25-cycle power which constitutes the larger percentage of the deliveries. The whole situation is very obscure and if the Ontario Government carries out a policy of readjusting the deliveries, the chances are that Gatineau Power Co. would be able to continue to pay interest on its debentures. Until such time as the Ontario Government makes a final decision on the Ontario Hydro contracts, the outlook for the securities of the Quebec companies concerned remains more hazardous than usual.

Toronto General Trusts

Is there adequate security behind investment certificates of Toronto General Trusts Corp.? What interest rate is being paid on certificates now?

Toronto General Trust Corp. is one of the oldest and largest trust companies in Canada. At the end of last year, it had deposits of some $6,410,000 and also had investment certificates outstanding of $16,780,000 a total of both types of deposit of $23,190,000. The assets securing these certificates consisted of $7,952,000 of liquid assets, $15,238,000 in mortgages, and the corporation had net capital account assets of some $4,630,000. Thus total assets securing deposits amounted to about $27,820,000. This gives a margin of security above the face value of deposits of about 20 per cent. The company is paying 3½ per cent interest on five-year deposit certificates and 3¼ per cent on three-year certificates. The rate on ordinary deposits is 2½ per cent.

McColl Frontenac

What is the security behind the common stock of McColl-Frontenac Oil Co.?

McColl-Frontenac Oil Co. owns approximately 160 branches and 325 service stations in Canada, from coast to coast, for the retail distribution of its products. Two modern refineries, having a combined daily capacity of 17,500 barrels, situated at Toronto and Montreal East, are owned by the company. The company owns three tank steamers, and about 165 tank cars and over 230 delivery trucks. It also operates in Buffalo, N.Y., through a wholly-owned subsidiary, McColl Bros. Inc., and has bulk storage plants at Halifax, Saint John, Kingston, Windsor, Thorold, Fort William, Three Rivers and Quebec.

Against this property McColl-Frontenac has outstanding $9,574,500 of 6 per cent first mortgage bonds and $7,635,300 of 6 per cent cumulative preferred stock.

At the end of January, 1935, the net equity back of the common stock was equal to $7.41 a share after eliminating "intangible" assets from calculations. This is in contrast to $7.23 a share at the end of the previous January.

Canadian Car

I own some of the preferred stock of Canadian Car & Foundry Co. No dividends have been paid for about two years. Can you give me any information as to their activities this season and their prospects? Were they successful in securing contracts for railway car construction and if so, what part of the $15 millions appropriation came to them? Any information you can give will be duly appreciated.

Little or no business has been available from the railway companies for Canadian Car and Foundry Co. during the last four years. Consequently the company has had to defer dividends on both its common and preferred stocks. The situation now is more promising, in view of the arrangements concluded between the Dominion Government and the C.P.R. and C.N.R. for the expenditure of $15 millions for new equipment and repair of old equipment. Of this sum approximately $8 millions will be advanced to the Canadian National and $7 millions to the Canadian Pacific. Canadian Car has received orders for $3.6 millions as a result. While this business will be welcomed by Canadian Car, the amount involved is not sufficient to warrant anticipation of a dividend on the company's preferred stock. The profit from this business will not do much more than eliminate operating loss incurred in the maintenance of property.

Kingston Elevator

We would appreciate it if you would give us information on the earnings of Kingston Elevator Co.; amount available for first mortgage bond interest; what earnings of Canada Steamship Lines are applicable to Kingston Elevator bond interest before payment is made on any other Canada Steamship security; and whether or not sinking fund payments are up to date?

Kingston Elevator Co. does not publish a financial statement. We are given to understand by the company, however, that interest on the first mortgage bonds is being earned, while the sinking fund payments are up to date.

Both principal and interest on the Kingston Elevator's first mortgage bonds are guaranteed by Canada Steamship Lines. In the event of this guarantee becoming enforceable, it is stated that the interest charge would rank as an operating charge on earnings of Canada Steamship Lines.

Steel of Canada

We would like to have your opinion as to the outlook of Steel Co. of Canada common and preferred stock.

Both the preferred and common stocks of Steel Co. of Canada are highly rated as investment media. Over a period of many years the company has established itself as one of the financially strongest of the iron and steel producers. Large reserves have been built up, with the result that dividends have been paid regularly, even though earnings at times were not sufficient to cover the disbursements. There is one exception to this general statement, namely, in 1933, when the dividend paid on the ordinary stock amounted to $1.20 instead of the usual $1.75 a share.

Last year Steel Co. of Canada's income statement recorded a marked improvement in earning power. Total income of $2.2 millions compared with $911,619 in 1913 and was greater than in any other year back to 1929.

Unofficial reports are that operations this year are continuing along satisfactory lines and net earnings are expected to cover dividend requirements.

Mining Enquiries

Nova Scotia Gold Mines

I hold one thousand shares in Nova Scotia Gold Mines and would like to know if it would be wise to increase my holding or stay with what I already have. I understand they are to offer rights to present shareholders to subscribe to a certain block of shares at a special price of around 50 cents a share.

Would like to get a full report on this company and your opinion whether shares of this company are a good speculation or not.

Nova Scotia Gold Mines has been getting some encouraging results from its 2 properties in the Cariboo area of Nova Scotia and at Tangier in the same province. While there is no indication at the moment that either of these two developments will ever rank as large-scale producers, development to date would indicate that both these properties have possibilities as comparatively small scale producers.

As you know, development at the Cariboo properties is being carried out by Consolidated Mining and Smelting Co. This arrangement is on a purely fifty-fifty basis; that is, that for every dollar the Nova Scotia Gold Mines spends on the property, Smelters is committed to spend a like amount. When production starts, profits will be shared on a like basis. Thus Consolidated Smelters has no direct stock interest in Nova Scotia Gold Mines. At the Cariboo property, the company is now down about 400 ft. and is continuing underground development work. There is a 20-ton stamp mill on the property which can be raised without much expense to 80 tons. This property is still a prospect, but one which is getting a thorough going over.

At Tangier, an 80-ton stamp mill is ready to turn over and is expected will start production at any time. The company claims to have 20,000 tons of ore blocked out at this property which would, as you can see, on an 80-ton daily basis, be sufficient to feed the mill a little less than a year. However, the company reports considerably more indicated ore.

While the company has a comparatively high authorized capitalization at 5,000,000 shares, no par value, present indications are that when financing of both properties is completed, there will be only about 2,000,000 shares outstanding.

Cuniptau Mines Ltd.

Please give me your opinion for the reason for the almost valueless condition of the shares of Cuniptau Mines Ltd., after hearing of the company's excellent prospects, and of the plentiful supply of ore indicated before milling operations started.

Cuniptau Mines Ltd. is still seeking to collect funds so that development work may continue at its property in the Temagami district.

As you are probably aware, the company owes approximately $30,000, which will, under the present arrangement, have to be met with interest by December 1. Creditors of the company, meeting in May, agreed to give their account a six months extension. While company officials inform us that they have several deals pending whereby the treasury will be reimbursed and these outstanding liabilities met, at the time of writing there is nothing definite.

In the meantime the company is keeping its property in such a condition that operations could be started up again at a moment's notice. No development, however, is being done. Despite the fact that some encouraging results were reported from the property, a lot of work has still to be done before its merits can be established. With the present condition of the market, and taking into consideration the financial straits in which the company finds itself, the outlook does not appear particularly bright.

Acme Glove Paying Full 1st Pref. Rate

In an answer to an enquiry published recently on this page, it was stated incorrectly that payment of $3.25 a share annually on first preferred stock of Acme Glove Co., Montreal, allows arrears of dividends to accumulate.

The company's preferred shares are of $50 par value each, so that the full 6½ per cent dividend amounts to $3.25 a share annually. This full rate is being paid at present. This leaves arrears of dividends of $10.87 a share on the first preferred stock. The statement in the enquiry should have been that payment of the full current rate of $3.25 a share annually on the first preferred shares leaves accumulated arrears standing at $10.87 a share.

CANADIAN SECURITIES

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing

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LONDON, CANADA
Established 1870
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3% PAID ON DEPOSITS 3½% ON DEBENTURES
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Chartered Accountants
TORONTO - KIRKLAND LAKE

Care for the Worker

An easy way to judge whether general working conditions in an industrial establishment are satisfactory, is to enquire into the percentage of labour turnover. With approximately 2,000 employees in its Montreal factory, and an annual turnover of less than 10 per cent, the Imperial Tobacco Company believes it has been reasonably successful in its endeavour to maintain conditions up to standards acceptable to the worker.

The pay envelope, of course, is the first consideration. Whatever time rates other employers pay for comparable labour, the Imperial Tobacco Company always contrives to pay a little more. Its time work rates increase with length of service. If a worker's earnings are less than they should be, the company endeavours to transfer this worker to work at which he or she is more adaptable.

Attached to each department is a relief staff who, besides substituting for absentees, take the places of those who temporarily leave their machines. Thus is continuity of production maintained, and undue fatigue avoided.

And of course all things that make for cleanliness, comfort or safety are liberally provided. The buildings are well lighted, well heated, well ventilated, and of modern fire-proof construction. There are wash-rooms, lavatories and drinking fountains everywhere, all kept scrupulously clean. Sweepers, scrubbers and painters are constantly at work, cleaning up and brightening up. Dust removing and humidifying devices keep the air pure. Guards and safety devices are used everywhere to minimize danger.

Lockers, uniforms and lunch rooms, about which more will be said later, together with the medical and nursing services, and the life insurance and sick benefit features that have already been discussed, complete a picture of conditions that combine to make the daily round of the worker unusually pleasant and care-free.

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

THE TUCKETT TOBACCO COMPANY, LTD.

Founded in 1857 by George E. Tuckett, the Tuckett Tobacco Company Limited a few years later was changed to a partnership of Tuckett and Billings. It was from the names of the two partners that the famous T. & B. Tobacco derived its origin.

Herbert Tareyton was first imported. At that time its sales were relatively small. Following the arrangements by Tucketts to produce this famous brand in Canada according to the original formula, Tareyton rapidly rose to its present popularity among pipe smokers.

Advertising of this tobacco appears in—

Maclean's
Canada's National Magazine

◆

Power Corp. Holds Position; Earns 43 Cents on Common

Statement for 1934-35 Shows Moderate Gain in Income — Investments Are Down — Retire More Debentures

From Our Own Correspondent

MONTREAL. — Minor improvement in earnings and a drop of $2 millions in the value of the company's investment portfolio, will be shown in the annual report of Power Corp. of Canada for the fiscal year ended June 30 last, according to a preliminary statement issued by the company.

Gross revenue from investments in subsidiary and affiliated utility companies, and from other investments and from engineering and management fees, amounted to approximately $1,542,000, an increase of about $17,000 over the previous year. Operating expenses declined $19,000, leaving a net revenue of $1,289,000 as against $1,253,000 in the 1934 fiscal year.

Earn 43 Cents a Share

This sum was more than sufficient to cover debenture interest and dividends on the preferred shares amounting to $1.1 millions, leaving a balance of $189,000 or equal to 43 cents a share on the common stock. This compares with 29 cents a share in the previous year.

In addition to the above revenue, the company reports net profit on sale of securities during the year of $11,000.

Retire More Bonds

The balance sheet as at June 30 last will show that the company has no bank loans. Further, during the year. Power Corp. purchased in the open market and cancelled a further $255,700 of its 4½ per cent and 5 per cent debentures. This reduces the aggregate funded debt of the company to approximately $10.7 millions.

Value of Holdings Down

The combined value of the company's investments in subsidiary and affiliated companies and other investments at the end of last June was approximately $24 millions, of which over 70 per cent was in bonds and shares of subsidiary and affiliated hydro-electric and utility companies. This valuation was about $2 millions lower than last year, due to a decline in the market price, as at June 30, 1935, of Southern Canada Power common, Canada Northern Power, common, and British Columbia Power Class A and B shares.

The kilowatt hour output of the company and subsidiary and affiliated companies showed consistent gains throughout the year, the combined total being about eight per cent higher than the previous year, which in turn was about eight per cent higher than the output for 1933. A further improvement in power output is expected to be recorded in the current year, as indicated by the total for the month of July last which was 17 per cent in excess of the total of the same month a year ago.

Dividends Declared

	This payment	Date payable	Date of record
Acme Glove Works	81¼c	Sept. 16	Aug. 31
Do., pref.	$1.75	Oct. 1	Sept. 15
Bell Tele. c.	$1.50	Oct. 15	Sept. 23
Biltmore Hats	$1.75	Sept. 14	Aug. 15
T. G. Bright & Co. c.	7½c	Sept. 14	Aug. 31
Do., pfd.	$1.50	Sept. 14	Aug. 31
Bk. of N. Scotia	$3	Oct. 1	Sept. 16
Bruck Silk	30c	Oct. 15	Sept. 14
Beld. Cort. pfd	$1.75	Sept. 14	Aug. 31
Brazilian T. L. & P. pf.	$1.50	Oct. 1	Sept. 14
B.C. Power c.	38c	Oct. 15	Sept. 30
Candn. Cottons	$1.50	Oct. 1	Sept. 13
Can. Indust. A & B	$1	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Malting	37½c	Sept. 14	Aug. 31
Can. Perm. Mtge.	$2	Oct. 1	Sept. 14
Can. Starch pf.	$3.50	......	......
Can. N. Pwr. c.	40c	Oct. 25	Oct. 15
Do., pf.	$1.75	Oct. 15	Sept. 30
Canada Wirebound	25c	Oct. 1	Sept. 14
Can. Farm Inv. c.	40c	Oct. 1	Sept. 20
Do., pf.	$2	Oct. 1	Sept. 20
Cons. Bakeries	20c	Oct. 1	Sept. 19
Crow's Nest Coal	$2	Sept. 14	Aug. 30
Dominion Bank	$2.50	Oct. 1	Sept. 20
Dom. Textile c.	$1.25	Oct. 1	Sept. 16
Do., pfd.	$1.75	Oct. 15	Sept. 30
Falconbridge N. c.	7½c	Sept. 27	Sept. 12
Fanny Farmer c.	12½c	Oct. 1	Sept. 14
Hollinger Gold	5c	Sept. 9	Aug. 23
Hudson Bay Mine	†50c	Aug. 31	Aug. 9
Hamilton Un. Th. pf.	$1	Sept. 30	Sept. 14
Imperial Tob. c.	8¾c	Sept. 30	Sept. 13
Inter. Mining	15c	Sept. 20	Aug. 31
Int. Nickel, c.	20c	Sept. 30	Aug. 31
Lake Shore M.	50c	Sept. 16	Sept. 2
Do., extra	50c	Sept. 16	Sept. 2
Monarch Knit, pf.	$1.75	Oct. 1	Sept. 14
Montreal Loan	62½c	Sept. 16	Aug. 31
McColl-Fron., c.	20c	Sept. 14	Aug. 15
McLennan, McFeeley & Prior, A	10c	Sept. 30	Sept. 23
Do., B	10c	Sept. 30	Sept. 23
Nat. Breweries c.	40c	Oct. 1	Sept. 16
Do., pf.	44c	Oct. 1	Sept. 16
Nat. Biscuit, c.	40c	Oct. 15	Sept. 13
Ont. Silknit	$1.75	Sept. 15	Sept. 4
Pressed Metals	12½c	Oct. 1	Sept. 16
Pioneer Gold	20c	Oct. 1	Sept. 3
Pwr. Corp. of C. pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Premier Gold	3c	Oct. 15	Sept. 13
Do., extra	1c	Oct. 15	Sept. 13
Riverside Silk, A	25c	Oct. 1	Sept. 15
Do., on arrears	25c	Oct. 1	Sept. 15
Reliance Grain, p.	$1.62½	Sept. 14	Aug. 31
Reno Gold	3c	Oct. 1	Aug. 31
South. C. Pwr. pf.	$1.50	Oct. 15	Sept. 20
Sylvanite G.	5c	Sept. 30	Aug. 24
Siscoe Gold	5c	Sept. 16	Aug. 31
Stand. Fuel pf.	$1.62½	Oct. 1	Sept. 16
Teck-Hughes c.	10c	Oct. 1	Sept. 10
W. Kootenay Pr. pf.	$1.75	Oct. 1	Sept. 20
W.-Hargreaves c.	10c	Oct. 1	Sept. 10
H. Walker-G., pf.	25c	Sept. 14	Aug. 23

†Initial.

Financial Advertisers Convene September 9-11

Theme of discussions at the forthcoming annual convention of the Financial Advertisers Association centres around public relations of financial organizations. This will be the twentieth annual convention and is to be held at the Ambassador Hotel, Atlantic City, Sept. 9 to 11.

J. F. T. O'Connor, comptroller of the currency, Washington, and Frank M. Totton, vice-president of the Chase National Bank, New York, will be guest speakers at the annual banquet.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
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Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 31

Range 1935 High	Low	Divd. Rate in $	Y'ld in % Aug. 30		Sales	Close Aug. 26 (or last)	Week Ending Aug. 31 High	Low	Close
				A					
2.00	.55	.	...	Abitibi	1900	.80	.90	.75	.75
9½	3	.	...	Do. pref. 6%	447	4½	4	4	4
6½	3	.	...	Do. cert. dep.	125	4⅛	4	4	4
5	5	.	...	Acadia Sugar	....	5	..	..	..
7	3	.	...	Acme Glove	....	4½	..	..	..
45	32	3.25	8	Do. pref.	5	40	38	38	38
9½	7½	40+20c	4.2	Agnew Surp.	....	9½	..	..	..
103½	96	7	6.8	Do. pref.	10	100½	100½	100½	100½
3½	1	.	...	Alta. Pac. Gr.	125	2	2	2	2
29	17½	.	...	Do. pref.	....	18	..	..	..
25	25	.	...	Aluminium	....	25	..	..	..
2	1½	.	...	Amal. Electric	55	2	2	2	2
18	15	.	...	Do. pref.	....	15	..	..	..
22½	16	.	...	Amer. Cyn. B.	....	22½	..	..	..
30⅞	25	.	...	Amer. Celanese	....	25	..	..	..
17½	6	.	...	Asbestos v. t.	314	17	16	14½	15½
13⅞	9⅞	1	...	Assoc. Brew.	215	12	11	9⅞	9⅞
110	104	7	6.4	Do. pref.	10	110	108	108	108
†4½	3		...	Assoc. Can.	....	3	..	..	..
105	105	7	6.7	Atlan. Sugar, p	....	105	..	..	..
				B					
66½	52½	2.25	4.2	Bank of Can.	240	53	53	52½	52⅞
132	126	8	6.2	Bk. Can. Nat.	5	128½	127	127	127
204	172	8	4.4	Bk. Montreal	67	182	182	179	179
305	250	12	4.7	Bk. N. Scotia	93	258	255	250	251
235	198	10	5.2	Bk. Toronto	13	200	200	198	200
11	11	50c	...	Barcelona	....	11	..	..	..
8	4½	.	...	Bathurst Pr.	725	7	7	6½	6½
2.25	1.00	.	...	Do. (B)	....	2.00	..	..	..
3.00	.50	.	...	Bawlf Grain	....	1.00	..	..	..
40	20	.	...	Do. pref.	....	22	..	..	..
3	3	.	...	Beath & Sons	....	3	..	..	..
15	8½	.	...	Beatty Bros. A	....	9½	..	..	..
95	85	6	6.4	Do. pref.	10	95	93	93	93
7½	2½	.	...	Beauharnois	346	3½	3⅜	3½	3⅜
98⅞	85	4	4.2	Belding Cort.	....	96	..	..	..
120½	116	7	5.8	Do. pref.	5	120	120½	120½	120½
135⅞	118	6	4.5	Bell Telephone	288	132½	132⅞	131	131½
18	13	1.50	...	Biltmore Hats	....	18	..	..	..
110	97½	7	6.6	Do. pref.	5	109	105½	105½	105½
4	3½	.	...	Bissell, T. E.	....	4	..	..	..

Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 3, 1935

Industrial Stocks:	Bid	Asked
Acadia Sug. 6% p.	4.50	5.15
Acme F. Dairy, p.	40.00	...
Allens Beach, p.	50.50	...
Allens Tor. p. b. c.	23.00	...
Aluminium Ltd.	26.00	29.50
Andian-National	45.50	47.50
Atlantic Sugar, p.	105.00	106.00
B. C. Pulp & P. p.	6.50	8.00
Burns & Co. Ltd. A	5.00	6.00
Do., B	2.75	3.50
Can. & Dom. Sug.	54.00	55.50
Canada Paper, p.	63.50	75.00
Canada Starch, c.	12.50	...
Do., pfd.	82.00	...
Can. Wire & C., p.	56.00	59.00
Can. Industries A	196.00	...
Do., B	195.00	...
Do., pfd.	158.50	161.00
Can. Marconi, c.	1.75	2.00
Can. P'board, p. b.	4.25	6.00
Can. Tube 1st pfd.	28.00	...
Can. Westing.	47.00	49.00
Chase, pfd. bonus	23.00	26.00
Cl. Neon Ad. U.	4.00	5.00
Copeland Fl. U.	4.50	6.00
Corr. Paper Box p.	80.00	81.50
Dom. F. & Steel Com. (New)	20.00	22.50
Do., pfd. (New)	72.00	...
Dom. Woollens, c.	.30	.70
Donnacona Pap. A	2.00	2.75
Dunlop Tire pfd.	...	70.00
Eastern Dair. pfd.	11.50	13.50
Edmon. C. Dair. p.	49.50	...
Fed. Grain, c.	.50	1.25
Do., pfd.	25.50	27.50
Gen. St. Wares, p.	38.00	42.00
God. Elevator	4.75	6.00
Greening Wire, p.	99.00	102.00
Guelph Carpet, p.	97.25	99.00
Do., com.	14.50	16.00
Hayes Wheels, p.	...	10.00
Highland Dairy c.	3.00	3.50
Do., pfd.	80.00	...
Huether Brew. pfd. bonus	2.75	3.25
Inter City Bak. c.	17.50	20.00
Inter. Met In. A p.	33.00	37.00
Inter. Paints pfd.	19.00	21.00
Loew's London, p.	1.50	2.00
Mansf. Theat. p.	23.75	26.00
Maple Leaf Gs. p.	3.65	4.25
Massey Harris p.	24.50	26.00
Mercury Mills p.	4.50	7.00
Morrow Screw p.	94.50	...
New M. Laund. pfd. bonus	66.00	70.00
Niag. W. Weav. p.	50.00	52.00
Para. Oshawa pfd.	57.50	...
Prov. Paper pfd.	99.00	100.50
Rel. Grain pfd.	59.50	63.00
Rob. Cons. Cone	8.00	8.75
Rolland Paper pfd.	85.00	87.00
Ruddy, E. L. pfd.	26.00	30.00
Silver. Dair. p.	39.00	...
Std. Fuel p. b.	101.00	103.50
Super. Pet. B p.	26.00	28.00
Tor. Carpet pfd.	26.00	...
United Amuse. A	10.00	12.00
Do., B	9.75	11.00
Un. Steel pfd.	3.25	4.25
West. Grain p. b.	9.75	11.50
Insurance Stocks:		
Brit. America	36.00	39.00
Canada Life	445.00	...

	Bid	Asked
Canadian Fire	72.00	77.00
Can. Fire	72.00	77.00
Can. Ins. Sh., c.	9.00	10.50
Con. L. 20% pd.	...	125.00
Cont. L. 20% pd.	34.00	39.50
Crown Life	110.00%	...
Dominion Fire	111.00	...
Dom. L. 50% pd.	280.00	300.00
Dom. of Can. Gen.	...	85.00
Empire L. 25% pd.	4.75	...
Excels. L. 30% pd.	70.00	74.00
Fed. Fire 25% pd.	35.00	40.00
Fidelity of Can.	46.50	...
Gt. West Life	395.00	410.00
Guar. Co. of N. A. fully pd.	235.00	...
Imperial Life	315.00	...
Manuf. Life	250.00	260.00
Mon. L. 10% pd.	16.00	18.00
Nat. L. 25% pd.	53.00	57.00
Sov. L. 25% pd.	12.50	17.00
Sun Life	395.00	415.00
Tor. General Ins.	4.00	5.00
West. Assur. Com.	34.00	39.00
Do., 12% pfd.	39.50	...
W. Emp. L. 20% pd.	...	9.00
Trust & Loan Stocks:		
Chartered Trust	75.00	...
London & W. Tr.	31.00	35.00
Premier Trust	87.00	92.00
Sterling Trust	30.00	35.00
Traders Fin. B p.	63.00	...
Do., com.	.50	...
Trusts & Guar.	33.00	35.00
Victoria Trust	120.00	126.00
Waterloo Trust	97.00	...
Investment Trust Shares:		
Can. Gen. Invest.	6.30	6.50
Can. Investors	5.85	6.50
Can. Int. Invest. Trust Units	26.50	28.50
Cons. Div. Std. U.	10.50	12.50
Deb. & Sec. pfd.	25.00	28.00
Dom. & Anglo Inv. Units	197.00	...
Dom. Scott. In. U.	22.00	25.50
For. Power p.	8.00	9.50
Grouped In Shs.	4.47	4.90
Invest. Found. U.	38.50	40.50
Sec. Holding C. U.	11.25	13.00
United Corpns. A	17.25	18.25
Do., B	5.50	6.25
Power Issues:		
Calgary Power p.	75.00	78.00
Can. L. & P. c.	24.00	28.00
Can. W. Nat. Gas p.	82.00	84.00
Do., com.	18.00	22.00
Gt. Lakes Pwr. p.	63.00	67.00
Mari. Tel. & Tel. p.	14.50	15.50
N. B. Tele. com.	10.50	11.50
N. S. L&P com.	47.00	...
Do., pfd.	96.00	98.00
Recent London Quotations:		
Brit. Col. Tele., pfd.		$105
Brew. & Distillers		4s.
Canada Company		7s. 6d.
Can. & For. Secs.		4s.
Can. Collier. $1 com.		1½d.
Do., pref. $10		4½d.
Can. N. W. Land		10s.
Can. West. Lumber		10½d.
Hudson's Bay		17s. 9d.
Do., pref.		89s. 9d.
Imp. Tob. (Canada) 6% pfd.		27s. 6d.
Third Can. Gen. Inv.		6s. 6d.

Dominion and Provincial Bonds

Sept. 4, 1935

(Furnished by Toronto Bond Traders Association)

Dominion of Canada Bonds

			Bid —Sept. 4—	Asked	Approx. Yield	Bid Aug. 28
Dominion	3½	15 Oct. 1935	100.00	100.40	.42	100.00
Dominion	4	15 Oct. 1935	100.00	100.45	.53	100.00
Dominion	2	15 Oct. 1936	100.00	100.50	1.59	100.00
Dominion	5	15 Nov. 1936	103.50	104.00	1.64	103.50
†‡Dominion	5	1 Mar. 1937	105.50	106.00	1.17	105.50
‡Dominion	5½	1 Dec. 1937	108.00	108.75	1.52	108.50
Dominion	2½	15 Oct. 1939	100.50	101.25	2.18	100.50
Dominion	4	15 Oct. 1939	106.00	106.75	2.23	106.25
Dominion	4½	1 Sept. 1940	108.25	109.00	2.57	108.50
Dominion	5	15 Nov. 1941	110.50	111.25	3.00	110.50
Dominion	3	15 Oct. 1942	101.75	102.25	2.65	102.00
Dominion	2½	1 June 1943	99.00	99.75	2.54	99.00
Dominion	5	15 Oct. 1943	112.00	112.75	3.20	112.00
Dominion	4½	15 Oct. 1944	109.00	109.75	3.26	109.00
Dominion	4	15 Oct. '43-45	104.50	105.25	3.62▲	105.50
Dominion	4½	1 Feb. 1946	108.75	109.50	3.42	109.00
Dominion	3½	15 Oct. '44-49	101.50	102.25	3.21▲	101.50
Dominion	4	15 Oct. '47-52	104.25	105.00	3.50▲	104.50
Dominion	3	1 June '50-55	98.75	99.25	3.05	98.75
Dominion	4½	1 Nov. '46-56	107.50	108.25	3.62▲	107.25
Dominion	4½	1 Nov. '47-57	107.50	108.25	3.67▲	107.25
Dominion	4½	1 Nov. '48-58	108.15	108.65	3.68▲	108.25
Dominion	4½	1 Nov. '49-59	108.30	108.80	3.71▲	108.40

Dominion Guaranteed Bonds

			Bid	Asked	Yield	Bid Aug. 28
*G. T. P. Rly.	3	1 Jan. 1962	99.00	100.00	3.00	99.25
Can. N. Ry.	3	1 May 1944	99.75	100.50	2.93	100.00
Can. N. Ry.	3	15 Dec. '45-50	98.25	99.00	3.11	98.50
*Can. N. Ry.	4½	1 Sept. 1951	109.75	110.50	3.63	109.75
†Can. N. Ry.	4½	15 Sept. 1954	102.00	......	...	102.00
*Can. N. Ry.	4½	1 Feb. 1956	110.00	110.75	3.74	110.75
†Can. N. Ry.	4½	1 July 1957	108.75	109.75	3.81	109.50
*Can. N. Ry.	4¾	15 June 1955	112.50	113.50	3.78	112.50
Can. N. Ry.	5	1 Feb. 1954	113.00	114.00	3.93	113.00
*Can. N. Ry.	5	1 July 1969	112.50	113.50	3.68▲	112.50
*Can. N. Ry.	5	1 Oct. 1969	115.00	116.00	3.82▲	115.25
*M. Harb. C.	5	1 Nov. 1969	115.25	116.25	3.79▲	115.50

Provincial Government Bonds

			Bid	Asked	Yield	Bid Aug. 28
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	106.50	108.00	4.00	107.75
†N. Bruns.	5	15 Jan. 1960	113.00	114.00	4.09	113.00
N. Bruns.	5½	15 May 1950	112.00	113.50	4.27	113.00
N. Scotia	4½	15 May 1943	106.50	108.00	3.28	107.00
†N. Scotia	4½	15 Sept. '47-52	107.25	108.25	3.67▲	107.50
N. Scotia	4½	15 May 1961	108.50	109.50	3.91	109.25
†N. Scotia	5	1 Mar. 1960	114.00	115.00	4.03	114.25
*Ontario	4	1 June 1962	101.50	103.50	3.79	102.00
*Ontario	4½	1 Sept. 1944	106.00	107.50	3.60	107.00
Ontario	4½	1 June 1950	106.75	107.75	3.82	107.00
*Ontario	4½	15 Jan. 1962	106.00	108.00	4.01	107.00
Ontario	5	15 Oct. 1948	109.50	110.50	3.99	109.00
*Ontario	5	2 Dec. 1960	114.00	116.00	3.99	114.0
*Ontario	5½	1 July 1946	112.50	113.50	3.97	112.50
O. H. C.	3½-4-5	1 Oct. '33-52	100.00	101.00	1.76▲	100.00
*Ont. Hyd. C.	4	1 Aug. 1957	101.50	103.50	3.76	102.00
Ont. Hyd. C.	4¾	1 Jan. 1970	108.00	109.00	4.25	108.50
Quebec	4	15 Mar. 1952	106.00	107.00	3.45	106.00
Quebec	4¼	1 Aug. 1958	108.50	110.00	3.61	109.00
Quebec	4½	2 Jan. 1963	111.50	112.50	3.77	111.50
Western—						
†Alberta	4	1 Dec. 1957	84.00	87.00	4.97	84.00
†Alberta	4½	1 Oct. 1956	87.00	90.00	5.28	87.00
†Alberta	5	1 Jan. 1948	90.00	93.00	5.79	91.00
Alberta	5	1 Sept. 1955	90.00	93.00	5.58	91.00
*Alberta	5	1 Oct. 1959	92.00	95.00	5.36	91.00
†Alberta	5½	1 Jan. 1947	94.00	96.00	5.98	95.00
Alberta	6	1 Mar. 1947	97.00	100.00	6.00	96.00
†Brit. Col.	4	1 Dec. 1957	90.00	*93.00	4.66	88.00
*Brit. Col.	4½	15 Jan. 1951	94.00	97.00	4.77	95.00
†Brit. Col.	4½	1 Oct. 1953	94.00	97.00	4.75	95.00
†Brit. Col.	5	15 Jan. 1948	96.00	99.00	5.11	97.00
Brit. Col.	5	1 Sept. 1953	96.00	99.00	5.12	97.00
Brit. Col.	5½	1 Feb. 1945	99.00	101.00	5.36	99.00
Brit. Col.	6	15 Feb. 1947	101.50	103.50	5.58	100.00
†Manitoba	4	1 Dec. 1957	94.00	97.00	4.22	95.00
†Manitoba	4½	15 Dec. 1956	98.00	100.00	4.50	99.00
†Manitoba	5	15 June 1954	104.00	107.00	4.45	103.00
*Manitoba	5	2 Dec. 1959	105.00	108.00	4.47	105.00
Manitoba	5½	1 Oct. 1955	105.00	107.00	4.94	107.00
Manitoba	6	1 Apr. 1947	106.00	108.00	5.07	106.00
Sask.	4	15 Aug. 1953	87.00	89.00	4.93	86.00
*Sask.	4½	2 July 1945	95.00	97.00	4.88	95.00
†Sask.	4½	1 Oct. 1951	93.50	95.50	4.91	91.00
Sask.	5	1 Aug. 1958	96.00	99.00	5.07	96.00
†Sask.	5½	15 Nov. 1946	99.00	102.00	5.25	99.00
Sask.	6	15 Mar. 1952	105.00	107.00	5.35	105.00

Municipal Bonds

			Bid	Asked	Yield	Bid Aug. 28
*Calgary	5½	2 June 1944	88.00	92.00	6.70	90.00
*Edmonton	5½	1 Nov. 1945	88.00	92.00	6.57	91.00
†Halifax	5	1 July 1961	110.50	113.50	4.15	111.50
Hamilton	5	1 May 1950	105.25	108.25	4.25	105.25
Montreal	5	1 Mar. 1945	104.25	106.25	4.20	104.25
Ottawa	4½	1 July 1945	105.25	108.25	3.50	106.00
†Quebec	5	1 June 1959	105.50	108.50	4.42	106.50
Regina	5	1 July 1944	85.00	90.00	6.50	85.00
St. John	5	15 Dec. 1950	105.50	108.50	4.25	107.00
†Toronto	4½	1 Jan. 1955	105.85	106.85	3.85	106.50
Vancouver	5	1 June 1969	87.00	91.00	5.59	87.00
Victoria	5	21 July 1945	92.00	96.00	5.53	92.00
Winnipeg	5	1 Mar. 1944	104.00	106.00	4.16	104.00

*Payable Can., N. Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N. Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

Montreal, Toronto and Curb Markets (Cont.)

Range 1935 High	Low	Divd. Rate	Y'ld		Sales	Close Aug. 26	High	Low	Close
				W					
27	16	.	...	Wabasso Cot.	5	20	18	18	18
33	23	.	...	Walker-Good.	2597	26½	27½	26	27½
18½	16½	1	5.7	Do. pref.	550	17½	17½	17½	17½
4.25	2.50	.	...	Walkerville Br.	1275	2.50	2.60	2.55	2.40
2½	1	.	...	Waterloo Mfg.	20	2½	1.75	1.75	1.75
6	2½	.	...	West. C. Flour.	....	3	..	..	..
52	20	.	...	Do. pref.	5	26	27	27	27
36	32	50c	...	West. Grocers	....	36	..	..	..
100	95	7	7.1	Do. pref.	....	99	..	..	..
120	120	7	5.8	W. Koot. Pr. pf.	....	120	..	..	..
15⅞	15½	1	...	Weston Ltd., n.	142	15½	15⅞	15½	15½
..	106	7	6.3	Do. pref.	..	..	111	111	111
6	1½	.	...	Whittall Can.	37	3	3	3	3
92½	75	6.50	6.9	Do. pref.	85	92½	93	93	93
3	2	.	...	Windsor Hotel	6	2	2	2	2
6	6	.	...	Do. pref.	....	6	..	..	..
2.25	.90	.	...	Winnipeg Elec.	275	1.50	1.25	1.05	1.05
10	4	.	...	Do. pref.	5	7	7	7	7
30	20½	.	...	Wood, A & J, p	....	20½	..	..	..
70	55	.	...	Woods Mfg. pf.	....	60	..	..	..
				Z					
5½	2½	.	...	Zimmerknit, c.	55	2⅞	2⅞	2⅞	2⅞
85	63½	7	11	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. No sales recorded in 1935 to date.
§ Quotations for 1933. b New York Quotations.
† Quotations for 1931. ▲ On account of arrears.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)

Sept. 3, 1935

Public Utility Issues:	Int. Rate	Due	Bid	Asked	Bid Aug. 27
‡Avalon Telephone	5½%	1948	100	...	100
Beauharnois L. H. & Pwr.	5½%	1973	94	96	91
Beauharnois Power Corp.	5%	1973	38½	40½	35½
*Bell Telephone	5%	1955	114	116½	114
*Bell Telephone	5%	1957	116½	118½	116½
†B. C. Power	5%	1960	98	100	98
†B. C. Power	5½%	1960	102	104	102
†B. C. Telephone	5%	1960	104	105½	103½
†Calgary Power	5%	1960	94	96	...
Calgary Power	5%	1964	93	95	...
†Canada Northern Power	5%	1953	100½	103	100
†Cedars Rapids Mfg. & Pwr.	5%	1953	110½	112½	111
Dominion Gas & Electric	6½%	1945	79	82	77½
Duke-Price Power	6%	1966	102½	104½	101½
*Gatineau Power	5%	1956	86	88	85½
*Gatineau Power	6%A	1941	76½	79½	73½
*Gatineau Power	6%B	1941	75½	78½	73
*Internat'l Hydro-Electric	6%	1944	49½	52	46
†Maclaren-Quebec Power	5½%	1961	68	70	66
Maclaren-Quebec Power	5½%	1964	67½	69½	65
*Manitoba Power	5½%	1951	57	60	56
†Montreal Island Power	5½%	1957	102½	105	102½
†Montreal L. H. & Pwr.	5%	1951	106	108	105½
†Montreal L. H. & Pwr.	5%	1970	106½	108	105½
†Montreal Public Service	5%	1942	105	...	105
†Montreal Tramways	5%	1955	82½	85	83
†Montreal Tramways	4½%	1955	78	81	78
†Montreal Tramways	5%	1941	100½	103	100
National Light & Power	6%	1949	93	96	93
†N. S. Light & Power	5%	1958	103	105	103
†Ottawa Lt., Heat & Pwr.	5%	1957	104½	106	104
†Ottawa Valley Power	5½%	1970	93½	95½	93
†Power Corp.	4½%	1959	84	87	85½
†Provincial Light & Pwr.	5%	1946	105	...	105
*Quebec Power	5%	1968	104½	106½	104
†Shawinigan Water & Pwr.	4½%	1970	99	101	99
†Shawinigan Water & Pwr.	5%	1970	103	105½	102½
†Southern Canada Power	5%	1955	104½	...	104½
†United Securities	5½%	1952	79	82	79
†West Kootenay Power	5%	1956	105½	107	105
†Western Power Co.	5%	1949	104	106	104
*Winnipeg Electric	5%	1935	98	10	98
*Winnipeg Electric	6%	1954	60	63	58½
Industrial and Realty Issues:					
Abitibi Pwr. & Paper	5%	1953	29	31	28
†Acadia Sugar	6%	1946	104	105½	104
†Alberta Pacific Grain	6%	1946	87	90	88
‡Asbestos Corp.	5%	1942	79	82	79
Brandram-Henderson	6%	1936	98	...	98
British American Oil	5%	1945	105	106½	105
British American Oil	4%	1945	101	102½	101
Burns & Co.	5½%	1948	54	58	54
Canada Bread	6%	1941	106	109	106
†Canada Cement	5½%	1947	102½	104½	103
†Canada Paper	6%	1945	100½	...	100½
‡Canada Steamship	5%	1943	100	102	100
Canada Steamship	6%	1941	41½	43	41½
†Canadian Canners	6%	1950	104½	106½	104½
Canadian Cons. Felt	6%	1940	100	...	100
Can. Copper Refiners	6%	1945	...	...	105
*Canadian Internat'l Paper	6%	1949	67½	70½	67
C. P. R.	6%	1942	107½	109½	107½
C. P. R.	4½%	1944	95½	97½	95½
*C. P. R.	5%	1954	104	106	104
C. P. R.	4%	1949	94½	96½	94
C. P. R. Perp. Deb.	4%	....	86	88	86½
†Canadian Vickers	6%	1947	71	73	72
Consolidated Paper	5½%	1961	14½	16½	15
Debenture & Security	4%	1936	90	...	90
†Dominion Canners	6%	1940	107½	109½	108
†Dominion Tar	6%	1949	99	101	99
Dom. Wool. & W. (with stock)	6%	1948	13	...	13
†Donnacona Paper	5½%	1948	36	39	36½
†Eastern Dairies	6%	1949	89	92	89
Eaton T. Realty	5%	1949	100	102	100½
†Famous Players	6%	1948	101½	103	101½
†Famous Players	6½%	1948	94½	96½	93
†Federal Grain	6%	1949	91	94	91½
Fraser Cos. (unstamped)	6%	1950	55	58	56½
Fraser Cos. (stamped)	6%	1950	49	52	50
†General Steel Wares	6%	1952	93	95	92½
Great Lakes Paper	6%	1950	43½	46	38½
†Gypsum, Lime & Alabast.	5½%	1948	88½	90½	87
Hamilton Cottons	5½%	1948	100½	103½	100
*Hamilton By-Prod. Coke	7%	1943	102½	105	102½
*Hinde & Dauch	5½%	1948	102	104	102
†Internat'l. P. & P., Nfld.	5%	1968	99	101	99
Inter City Baking	5½%	1948	99	102	99
Inter-City West Bakeries	6½%	1950	23	26	23
Lake St. John Pwr. & Pap.	6½%	1947	62	65	62
†London Can. Invest.	4½%	1948	81	...	80½
London Realty	6%	1950	88	91	88
†Massey-Harris	5%	1947	86	89	86
McColl-Frontenac	6%	1949	105	106½	105
†Mercury Mills	5½%	1953	35	40	35
Metropolitan Building	7%	1944	101	...	101
Minn. & Ont. Paper	6%	1945	15	17	15
*Montreal Coke	5½%	1947	102½	...	102½
‡Montreal Cottons	5%	1947	99	...	99
National Grocers	6%	1948	104	106½	104½
Northern Ont. Bldg.	6½%	1939	95	98	95
†Penmans	5½%	1961	109	112	110
*Provincial Paper	5½%	1947	102	104	101
Queen's Hotel	6%	1947	84	86	84
*Reliance Grain	6%	1948	98½	101	99
Richmond Bay Bldg.	6½%	1947	93	96	93
‡Riordon Pulp & Paper	6%	1942	104	...	104
†Rolland Paper	5½%	1948	103	105	103
Ruddy & Co., E. L.	6½%	1948	89	92	88
St. Lawrence Flour	6%	1941	103	...	103
†Simpsons Ltd.	6%	1949	104	105½	104
†Simpsons Ltd.	5½%	1949	99	...	99
†Smith, Howard	5½%	1963	103	105	103
‡Steel Co. of Canada	6%	1940	111	113	111½
Stop & Shop	6%	1947	56	60	54
Toronto Carpet	6%	1944	102	...	102
United Amusement	6%	1942	98	...	98
United Grain Growers	5%	1948	93½	96½	93½
United Grain Growers	5½%	1949	96½	99½	95½
‡Wabasso Cotton	6%	1947	102	...	102
Wabasso Cotton	7%	1942	104½	...	104½
Western Grain	6%	1949	68½	71	69
Woods Mfg.	6%	1943	101	...	101
Zimmerknit Mfg. Co.	6%	1951	98½	101	99½

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

Unlisted Mining Stocks

Sept. 3, 1935

	Bid	Asked
Ascot	.27	.29
Arntfield Gold	.85	.88
Arntfield Synd.	.95	1.05
Adanac	.05½	.09½
Ardeen	.08½	.09½
Athona (Gt. B. L.)	.70	.72
Athabaska Portals	.17	.19
Bailor	.01	.02
Bidgood Kirk.	.07	.09
Bankfield Gold	.45	.47
Bathurst	.01	.02
Bosquet Gold	.08	.10
Can. Pandora	.04	.05
Can. Radium	.44	.47
Casey Summit	.07	.09
Canusa Mining	.04	.05
Casey Contact	.06	.07
Central Porc.	.20	.23
Cons. Chib. Free	.53	.55
Cons. Chib. Pool	.51	.54
Columario Cons.	.01	.02
Dorval Siscoe	..	4.00
Dunlop Cons.	.00½	.01½
El Bonanza	.15½	.16½
Forty-Four Gold	5.50	6.25
Glenora Gold	.06	.08
Galatea	.05	.06
Goldside	.05	.06
Gold Eagle	..	.24
Greenlaw	.05½	.06½
Hardrock	.39	.42
Hardrock Units	..	47.00
Hislop Gold	.04	.06
Horseshoe	..	.02
Hudson Patricia	.07	.09
Jellicoe	.03½	.04½
Johnson Nip.	.01	.02
Kirk. Gold Belt	.10	.12
Lafayette L. Lac.	.03½	.04½
La Palme	.18	.20
Long Lac Lagoon	.04	..
Lamaque Gold	2.15	2.25
MacFarlane	..	.02
MacL. Cockshutt	.03	.04
Magnet Lake	.04½	.05½
Matachewan Can.	.10	.12
McCarthy Webb	.06	.07
Morrison Mines	..	.16
Mosher	.02	.03½
N.A.M.E. Un.	18.00	22.00
North Shores	.03½	.04
Oklend	.15	.16
O'Leary	.06	.08
Opemiska	1.55	1.70
Pamour Porc.	1.75	1.85
Rice Lake	.02	.03
Shawkey	.44	.46
Silverado Gow.	.40	.42
Smelter Gold	.04	.05
Smith Cobalt	.07	.09
Straw L. Beach	.16	.18
Sturgeon R. Gold	.84	.86
Sun Bear	..	.17
Thom.-Cadillac	.03	.04
Wells L. Lac	.08	.09½
Wingold	.04½	.05½
Young David	.13	.15
Wendigo	.14½	.16

Winnipeg Stock Exchange

(Transactions from Aug. 23 to Aug. 29)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Aug. 29
..	..	Flin Flon Synd.	9,900	.21	.18½	.21
..	..	Monarch Life	4	18.50	18.50	18.50
..	..	Gold Lake	1,150	.24	.22	.22
..	..	Rice Lake shs.	500	.03½	.03½	.03½
..	..	Ore Grande	1,000	.04	.04	.04
..	..	Island Lake	4,700	.02	.02	.02
..	..	Wylie Dom.	500	.07½	.07½	.07½
..	..	Vanson Man.	500	.04	.04	.04
1	6.7	United Grain	5	15.00	15.00	15.00
..	..	Wingold	8,000	.05½	.04½	.04½
..	..	Winnipeg Jockey	1	50.00	50.00	50.00
..	..	Crescent Creamery, pf.	8	27.00	27.00	27.00
..	..	Federal Grain, pf.	50	27.75	27.75	27.75
..	..	Great-West Life	2	403.00	403.00	403.00
..	..	Western Brew.	100	2.00	2.00	2.00
..	..	Bailor Gold	2,000	.01½	.01½	.01½
..	..	Forty-Four	10	6.00	6.00	6.00
..	..	Knee Lake	1,000	.28	.28	.28

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, c.	..	3
Canadian Fire	72	..
City Dairy A	..	10
Federal Grain	..	75
Federal Grain, pfd.	27½	..
Home Investment	25	..
Monarch L. 10% pd.	17	18½
Northern Trust	..	7
Rel. Grain, pfd.	..	63½
West. Grein, pfd.	81	..
Can. Amer. Trust	3.05	3.30
Can. Inv. Fund	..	3.75
Fundamental A	4.93	5.50
Series B	4.66	...
Grouped Inc.	..	4.90

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending Aug. 31, 1935

	Int. rate	Due	Yield	Latest Bid	High	Low	Range 1935 High	Low
Mtl. L. H. & P. Debs.	3	1939	2.85	50½	50½	50½	50⅞	46
McNish	6	1948	...	3.25	3.50	3.50	4.00	3.10
Dom. Ref.	4½	1946	...	...	108.25	108.25	108.25	108.25

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 30th September, 1935, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of October, 1935, to shareholders of record of the 20th September, 1935.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th August, 1935.

CANADA PERMANENT Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

TUESDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fourteenth day of September, 1935.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 21st, 1935.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

NOTICE IS HEREBY GIVEN THAT

An Interim Dividend (No. 114) of one and three-quarters per cent. (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Monday, the 30th day of September, 1935, to shareholders of record at the close of business on Friday, the 13th day of September, 1935.

A Semi-Annual Dividend (No. 47) of three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Monday, the 30th day of September, 1935, to shareholders of record at the close of business on Friday, the 13th day of September, 1935.

By Order of the Board.

F. P. L. LANE,
Secretary.

Montreal, P.Q.
30th August, 1935.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 33

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1935, payable October 15th, 1935, to shareholders of record at the close of business September 30th, 1935.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, August 23rd, 1935.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 25

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1935, payable October 25th, 1935, to shareholders of record at the close of business on September 30th, 1935.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, August 27th, 1935.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of October, 1935, to shareholders of record at the close of business on the 23rd of September, 1935.

F. G. WEBBER,
Secretary.

Montreal, August 28th, 1935.

NOTICE

Estate of Thompson Cadillac Mines Limited, in Bankruptcy

The Eastern Trust Company has been authorized and directed to close the transfer books of Thompson Cadillac Mines Limited at the close of business on the 30th day of September, 1935, after which date no transfers of shares will be registered nor any stock certificates issued.

Shareholders of Thompson Cadillac Mines Limited are accordingly advised to surrender their share certificates, endorsed in blank, for transfer without delay to The Eastern Trust Company, 134 St. James Street West, Montreal, in order that shares of Thompson Cadillac Mining Corporation may be transferred into their names in exchange therefor in the ratio and upon the terms and conditions set out in the Deed of Sale by which Thompson Cadillac Mining Corporation acquired all the assets vested in the Trustees of the property of Thompson Cadillac Mines Limited, in bankruptcy.

Prairie Province Power Output

Production of power in the Prairie Provinces continues to increase, the output of central electric stations during June being reported at 110,020,000 kilowatt hours, as compared with 90,354,000 kw.h. in June, 1934.

WILLARD'S COST TO BLUE RIBBON TOTALS $303,502

Lower Blue Ribbon Profits to be Explained at Meeting

Total outlay of $303,502 in connection with acquisition of Willard's Chocolates Ltd. is shown as an asset in the financial statement of Blue Ribbon Corp., Toronto, for the year ended June 30, 1935. While only $225,000 was involved in purchase of Willard's common shares this year, the total includes some $80,000 of outlays under former dividend guarantees to Willard's preferred shareholders.

The balance sheet and income account includes results for the wholly owned Blue Ribbon Ltd. and Pure Gold Manufacturing Co., but not for Willard's Chocolates. The latter firm is controlled by Blue Ribbon Corp., which acquired all the common stock at $15 a share this year. But Willard's still has preferred shares outstanding. Another reason given for non-inclusion of its figures is that Willard's year ends Dec. 31.

After depreciation, Willard's' had a loss of almost $15,000 in 1934 and also in 1933. Thus, inclusion of Willard's results would not be expected to improve the Blue Ribbon report.

Profits Lower

No explanation is given in the report of the fall of profits shown in the income account on page 5. More information will be forthcoming at the meeting in Toronto on Sept. 14, The Post is informed.

Auditors comment that stocks and bonds of subsidiary companies carried at $53,236 are below cost but above market values. This year no write-off for this account was made. Another write-down last year was $10,294 of organization expenses. This brought the asset down to $4,294, which is considered a modest amount.

Working Capital Down

Decline of working capital was caused chiefly by the acquisition of Willard's common stock April 15, 1935. Reduction of cash and inventories brought down current assets. Current liabilities were cut slightly. The chief change, however, was a decline in accounts payable and an increase in the secured bank loan to $200,607 this year against $162,787 in 1934.

The reserve for depreciation was increased by a slightly larger amount than in the 1933-34 year. Auditors, however, certify the balance sheet: "subject to the sufficiency of the reserve for depreciation of one of the subsidiaries."

RECENT WEEKS SEE HOPES FADE BUMPER CROPS

But Fair Yields Predominate in Canadian September Survey

Speaking very generally, crop prospects deteriorated in Canada during August. Rust cut very seriously into Western grain prospects and the promise of a bumper harvest of spring grains in Eastern Canada failed to materialize. While excellent growth was reported in the latter section, early threshing returns indicate only fair to good yields of actual grain in contrast with the promises of a month ago.

Eastern Canada

In Eastern Canada, however, in the last few weeks, beneficial rains are reported from almost every district which relieved the late summer drought, that had developed in certain sections. This should give pastures and late hay a new lease of life and will also benefit corn and roots. The apple crop, important in southern Ontario and Nova Scotia, will also be favorably influenced.

Western Prospects

The latest crop survey from the Dominion Bureau of Statistics indicates harvesting well advanced and threshing started in the western provinces.

In Manitoba the wheat crop is described as yielding very poorly, averaging from 2 to 12 bushels per acre. The grade is low. The cost of threshing is reported as out of all proportion to the worth of the crop and consequently a considerable portion of damaged grains now in stook, will not be threshed.

Some frost and hail damage is reported in Saskatchewan, principally in the west central parts. Drought has been serious in the southeastern districts and some drought is reported in the southwest. The central section of the province also reports some rust damage. Generally, however, a fair crop is expected. Quality will vary.

The outlook is mixed in Alberta. Some damage from frost is reported in the northern section and from drought in the non-irrigated section of the south. On the whole, a fair yield is expected.

B. C.

Fruit crops in British Columbia are described as late in maturing, but otherwise, the agricultural situation appears to be favorable with forage crops understood to be quite heavy.

Deny Reorganization Ready for Postal Tel.

George S. Gibbs, president of Postal Telegraph & Cable Corp., denies statements, made by the bondholders' committee headed by Cecil P. Stewart, that the company was proposing to exchange outstanding bonds for income bonds or common stock. Officials of the company are stated to be studying reorganization plans, which will later be discussed with bondholders, but that no definite scheme has been drawn up.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of twenty-five cents per share on account of arrears on the class "A" shares of the Company, payable October 1st, 1935, to shareholders of record, September 14th, 1935.

By order of the Board,
J. P. BERNEY, Secretary.
Toronto, August 28th, 1935.

Wheat

Where Is Price Set?

WINNIPEG.—It is difficult to be sure whether Minneapolis or Winnipeg is at present taking the lead in wheat prices. Minneapolis is inclined to think that prices for hard spring wheat there are regulated by the Canadian level, and that the possibility of importing Canadian wheat and paying a duty of 42 cents a bushel is all that prevents prices rising still further. Winnipeg, on the other hand, is likely to take the view that prices on the southern market are setting the pace for Winnipeg, and that Canadian prices for No. 1 Northern wheat are bound to be about 42 cents under what millers in the United States are paying for the highest grade spring wheat.

Undoubtedly there is some buying in here from interests who expect to make use of Canadian wheat for United States milling, even though the actual duty paid entry of our wheat into the United States is as yet very small. Such buying, together with the limited quantity of buying coming into the Winnipeg market for wheat to be exported to Great Britain and the Continent, has currently been taking care of new wheat deliveries by farmers. The latter flow, although kept at a low level by slow progress of harvest and threshing except where crops are extremely light, has now passed the level of 2 million bushels a day.

* * *

Overseas Demand

OVERSEA demand is still slow to materialize to anything like the expected extent. The fact that both world shipments and the Canadian share of them are still keeping at a level much below that of last year makes it appear that Europe plans to draw on new crop supplies to a larger extent than usual. This will likely remain the case until the outcome of Southern Hemisphere crops is determined. Overseas buyers are operating with especial caution until the line of policy of the new Canadian Wheat Board is made clear.

The price of No. 1 Northern is affected, in addition to the prospective American demand by the control still exercised by the Canadian government agency. The prices of lower grades are tending to come more to a world basis as determined by actual sales, and there is a good deal of variation due to daily changes in demand and to the steadily-increasing quantities of lower grades coming forward from the new crop.

* * *

Price Setting Delay

THERE are reports that the delay in establishing the Wheat Board minimum price is due to the difficulty of hitting on spreads for various grades. These must not be too unsatisfactory to farmers, and still not create too great a loss that might be assessed in the first place against producers with other grades, or in the second place against the government.

* * *

Futures Market

ONE of the matters shortly to be settled must be the attitude of the board to the futures market, and the use it will make of that market in disposing of the wheat it takes over or acquires from farmers. The board may have a corner of the October market just as complete as that which the Government agency exercised over the August delivery. The use made of that corner has caused a certain degree of apprehension among buyers of Canadian wheat, and has increased the difficulties of selling wheat abroad. For some firms, carrying Canadian wheat or flour made therefrom, in overseas positions, and keeping it hedged in Winnipeg, found a loss imposed on them when the Government agency maintained an artificially high price on the August future. They have become decidedly nervous about carrying any Canadian wheat for fear a government corner in October or later months might be used for a severer squeeze.

Handlers of wheat and flour feel it necessary to keep such commodities hedged as protection against price fluctuations, but while Liverpool offers a satisfactory hedging market for Argentine, Australian or Russian wheat, it is unsatisfactory for Canadian wheat, so long as the latter is held at premium prices. So if buyers are afraid to hedge Canadian wheat in Winnipeg, for fear of a corner squeeze, they just do not buy.

* * *

Three Alternatives

THE Wheat Board appears to have three alternatives before it. The first is to force Canadian prices down to a practical equivalent with Argentine and Russian prices, in which case it could be hedged in the Liverpool market. The second is to invite and encourage free use of the Winnipeg hedging market. The third is to try to develop a technique for selling wheat by delivery at mills when required, on a hand-to-mouth basis, which would obviate the need for hedging by purchasers. Although the last mentioned is possible to some extent, it is doubtful if any very great volume of business would be practicable.

At one time, however, it appeared that the Government were planning to try it. That was when trading in the October future was still prohibited, and the Government agency was announcing that every bushel of Canadian wheat hedged in the August contract must be delivered to it before the close of the month. That attitude was relaxed when the Government not only permitted, but requested, the Winnipeg Exchange to open trading in October wheat, and when holders of wheat in certain positions and of certain grades were permitted to switch hedges from August to October. But it is by no means certain yet that it was relaxed sufficiently, for the Government agency insisted on getting control of all wheat of delivery grades in terminals at the head of the lakes, as well as of wheat in Eastern positions. This makes it very difficult for ordinary processes of the trade to be carried on.

Build Grain Elevators In Australian State

The Grain Elevators Board of Victoria, Australia, is proceeding with its plans to institute a system of bulk handling of wheat in that state. It is reported that the board has decided to erect about 160 elevators or silos as they are termed in Australia.

Long Range Forecast Favors Increased Sales Canadian Wheat Abroad

But Poor Argentine Prospects so Far Have Little Effect—Differential Still Favoring Foreign Grain

From Our Own Correspondent

WINNIPEG. — The poor outlook for the crop of Argentina contributes to the most important long range factor in the wheat situation. It is a factor, however, which up to the present is not moving either British or continental millers to increase forward bookings for Canadian wheat. Various estimates are appearing crediting Argentina with a prospective production of an export surplus of from 30,000,000 to 55,000,000 bushels. Allowing for 35,000,000 bushels or so which Brazil normally takes from Argentina, that would leave either nothing or comparatively little for export to Great Britain and to the Continent.

Lack Reliable Statistics

But reliable statistics are not yet available either as to the acreage of wheat which Argentina has actually been able to seed, or as to the area which must be considered as already abandoned because of the failure of seed to sprout. Some seeding has been continued up until very recently, but there seem to be differences of opinion as to the probability of such late sown crops giving any satisfactory return. Such rains as came in August were not regarded as relieving the long continued drought to any satisfactory extent, although in some areas they were sufficient to carry crops along without further deterioration. Heavy rains in September, if received, would greatly improve the outlook, but if such rains are not received the wheat crop must be decidedly small.

Statistically it would seem certain that before long overseas buyers would be driven to taking very much larger quantities of Canadian wheat than they have recently been buying, but so far these buyers have not been moved to protect their forward needs to any important degree. Apparently Russian wheat is being relied on to fill British needs to a considerable extent during the next few months, but guesses as to the total quantity Russia can be relied on to supply vary widely. At all events it is put high enough by some observers to produce the comment that Canada, having for long held an umbrella over Argentine wheat prices, is now doing the same for Russia.

Russian Wheat

Russian wheat is not underselling Canadian wheat to nearly the same extent as has been the case with Argentine wheat, and the spread between Canadian and Argentine wheat is close to what was thought not long ago to be a parity basis. But apparently the differential which remains is sufficient to get other wheats sold ahead of Canadian, to the full extent that they are available.

British traders have been showing a great deal of interest in the Canadian Wheat Board and its probable line of policy. But they apparently are taking the attitude that in spite of the poor crop the big carry-over assures a plentiful supply of Canadian wheat for all probable needs during the crop year. Their attitude is reflected to some extent in the Liverpool futures market, where for a long time past wheat in more distant months brought a premium over near-by wheat. But October wheat has lately been selling at a 3 cent premium over March. There is something like a shortage of wheat available in the near future for delivery on the October contract, because supplies afloat have been allowed to run down to extraordinarily low levels. But apparently the impression prevails that wheat will be reasonably plentiful in March, with the Argentine new crop commencing to arrive. Such comment as is obtainable from British traders as to the course of prices suggests in guarded terms that it may be possible for the Canadian Board to maintain approximately the present levels, with other prices gradually closing up the gap. They seem to think, however, that the Canadian Board will have so much wheat to sell that no great advance is probable.

Bullish Sentiment

There is a good deal of bullish sentiment in North America on wheat prices, and a tendency to believe that the full extent of damage that has been done to North American crops is not realized abroad. But that feeling is slow to express itself in market action and for different reasons on the two sides of the international boundary. The wheat scarcity in the United States is of high grade northwestern spring wheat, and while high premiums are being demanded and paid for such wheat, there is still comparatively plenty of lower grade wheats available for delivery on the Chicago contract markets, and even an uncomfortable surplus of some types of soft wheat.

In Canada there has been a good deal of doubt as to how the market machinery may work when the Canadian Wheat Board commences operations. The degree to which it has corralled supplies of contract wheat in all positions, Fort William and east, is thought likely to interfere with the smooth working of ordinary export machinery, and to make it difficult for an improving market situation to express itself in market quotations. So far there has been enough buying in futures to absorb the comparatively small quantities of new wheat being delivered by farmers. But there are doubts as to whether in coming weeks export demand will be reflected by buying in the Winnipeg market, or if it will be absorbed by sales made from the stocks of wheat held by the government agency.

Minimum Price

Opinion has been crystallizing that a high minimum price paid to farmers by the Wheat Board, would be a bearish factor on prices. That is because a high price would result in most of the wheat being sold to the government agency, which would then be regarded by outsiders as a forced seller. The minimum price might then tend to become the maximum, as outsiders would figure that the Board would be glad to get out at cost. A lower minimum price, which would keep new wheat out of the hands of the Board, would on the contrary, bring a greater percentage of buying for export into the market, and allow bullish factors freer play. Such a theory, of course, would depend upon the Wheat Board not being too pressing a seller with respect to its carried over stocks.

New Grain Board Member Gives Wheat Viewpoint

Suggests Open Market Price Will Demonstrate Ability to Reduce Surplus if Prices Lowered

A statement of the wheat viewpoint of H. C. Grant, assistant professor of Economics, at the University of Manitoba, and recently appointed a member of the new Canadian Wheat Board, is contained in a special article submitted by Mr. Grant in the September issue of the Canadian Chartered Accountant.

The article is an attempt to present as concisely as possible some of the factual background of the wheat situation and at the same time reveal the author's position in the matter.

Beginning of Surplus

Professor Grant traces the genesis of the wheat problem to show that following a heavy increase in world wheat acreage during the period 1923 to 1933—an increase considerably in excess of the gain in population in the chief wheat consuming nations of the world. "Abnormal surpluses" he says, "began specifically in 1928 although the cause of this had probably been operating before that year."

As to what caused the surplus, Mr. Grant believes there is no one single cause although some causes are no doubt more important than others. Thus, he expresses his opinion that "the basic cause is an over-expansion of wheat acreage in relation to effective demand." Effective demand he describes as a desire to purchase, backed up by ability to pay. Even here, however, he recognizes a difference of opinion in that some believe that demand has been throttled.

Four Other Causes

Four other causes he lists numerically to include.

(1) That the four chief exporters had the largest combined crop in their history in 1928-29.

(2) That France and Italy had abnormally high yields per acre in 1929 and in the next three years had more than average yields.

(3) That in the crop year 1930-31 Russia exported 114 million bushels of wheat. During the previous three years, their exports were practically nil.

(4) On the demand side, quotas, milling restrictions, fluctuations and exchange rates, and tariff restrictions have hindered the free flow of wheat in international trade.

Why in America?

As to why the surplus accumulated largely in Canada, and the United States, Mr. Grant quotes technical reasons; namely, that both Argentine and Australia have very limited storage facilities while the opposite is true in Canada and the United States.

On the other hand as a matter of national policy, Argentine and Australia re-valued their currency which raised the domestic price of wheat and at the same time lowered the gold price of wheat which governed export sales. Canada and the United States elected to maintain their domestic currencies and at the same time to orderly marketing policies to maintain price stabilization.

Could We Have Gold?

As to whether or not, we could have sold our wheat if we had not supported the market, Professor Grant states that no one can answer this question with assurance. He says, however:

"I am doubtful if a significant increase in human consumption of wheat would have taken place if the price had fallen say, to 50 cents per bushel. This is not to say that we would not have sold more Canadian wheat. European importers might have purchased it and they would have held the surplus although they would have found difficulty in providing storage space. Larger quantities than usual might have been fed to livestock and more Canadian wheat would have been used in the blend instead of weaker wheat.

"For a time there seemed to have been too much wheat at any price. Tariffs, quotas, etc., added to the basic difficulties of a definite over-production.

Future May Reveal

"It appears at the moment that some of the secondary causes of the surplus may be at least partially suspended. It is planned in Canada to let the open market price go of its own accord, except that there will be no mad dumping of the surplus, and to maintain a minimum fixed high price to producers. We shall then be in a position to say whether or not any abnormal surplus will be consumed when prices are low. Until then your opinion is as good as mine."

Place of Grain Trading

Again Professor Grant hesitates to give a categorical answer to the question as to whether or not a wheat board is necessary due to the assumed failure of the so-called speculative or open market operations. He points out the difference between gambling and speculation, showing the legitimate function of the speculator in assuming a risk that already exists and which someone else wants to be relieved of.

"Farmers," he says, "may join co-operatively and pool their products for sale and thus receive an average price. They have not thereby eliminated the risk, they have assumed it jointly."

Merits of Open Market

"As to the merits or demerits of the open market system there is at present more heat than light. There is no doubt that the effect of milling combines in the United Kingdom, the increasing control by one or two international grain houses of international shipments and the operation of co-operative associations of producers has weakened the power and effectiveness of trading on the exchanges. To conclude that because they are weakened they should be abolished by government edict is another thing. There may be practices which should be controlled, and in the long run, such abuses as exist must be eliminated if freely organized trading is to continue. The trade must and will eventually realize this.

"As an emergency measure it may be argued with some validity that a wheat board is necessary to market a burdensome surplus. But no emergency condition presents a valid argument for eliminating for all time one marketing system, and replacing it through legislative fiat with another. There is a difference between regulating competition so that equality of bargaining power is maintained and abolishing competition entirely. If competition is both fair and free, and it is the duty of the state to see that it is, the best system will prevail. But if we start abolishing systems and enterprises by political majorities, we shall change our economic system every five years, which would be economic lunacy.

"Those of us who believe in an experimentation in and regulation of industry and marketing must be prepared to bear the costs and sacrifices which may result. Many do not realize nor accept this position. They demand that others be sacrificed, and are in favor of regulation in general, but are not in favor of control over themselves."

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Fort William (Aug. 30)	48,075,121	52,069,136	54,788,508
Country elevators (Aug. 23)	43,301,535	45,563,713	66,585,832
Total (all points), (Aug. 23)	194,742,701	196,551,774	185,236,589
World Shipments (incl. flour): Aug. 31:			
North American	2,645,000	2,870,000	4,621,000
Argentine (Aug. 12)	2,935,000	1,497,000	6,144,000
Australian (Aug. 12)	1,013,000	1,466,000	816,000
Black Sea	....	....	....
Total (world)	7,395,000	10,243,000	9,414,000
Visible Stock: Aug. 27			
Canadian	134,730,000	131,807,000	106,220,000
United States	54,635,000	49,244,000	115,223,000
Argentine	11,022,000	11,389,000	19,472,000
Australian	25,000,000	27,496,000	45,000,000
Country Marketings and Exports:†			
Canadian exports (Aug. 23)	2,237,851	1,568,097	2,984,527
Cum. to Aug. 23 (3 weeks)	5,632,074	3,394,223	10,238,241
Country marketings (Aug. 16)	1,621,021	1,444,683	3,002,817
Cum. to Aug. 16 (2 weeks)	3,065,804	1,444,683	6,014,732
Country deliveries (Aug. 30)‡	7,092,000	2,834,000	17,578,000
Country loadings (Aug. 30)‡	5,597,000	3,823,734	11,786,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Sept. 3, 1935

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Aug. 28	High for week	Low for week	Close Sept. 3
		Wheat				
.86⅝	.81	Aug.	.93½	.85⅝	.83	.83⅜
.85⅝	.82¾	Oct.	.84⅛	.84½	.81⅜	.82
.86⅛	.82¾	Dec.	.83⅞	.83⅞	.81½	.82¼
		Oats				
.35½	.31⅞	Oct.	.33½	.33½	.31⅞	.31⅞
.33⅛	.30	Dec.	.31⅝	.31½	.29⅝	.29⅝
		Barley				
.37⅞	.33½	Oct.	.34⅝	.34⅞	.31¾	.31¾
.38½	.33⅞	Dec.	.33⅞	.34⅛	.32⅝	.32¾
		Flax				
1.31	1.21¼	Oct.	1.28½	1.28¾	1.27⅛	1.28½
1.29¼	1.19¾	Dec.	1.27	1.27	1.26⅝	1.26½
		Rye				
.42½	.36¾	Oct.	.36¾	.36⅞	.35⅝	.36⅛
.43⅞	.38½	Dec.	.38	.38¼	.36⅝	.37⅝

Wheat Prices

(Cash Quotations)

	Aver. for week Aug. 24 $	Previous week $
At Winnipeg:		
No. 1 Man. Hard	0.865	0.834
No. 1 Northern	0.863	0.831
No. 2 Northern	0.833	0.801
No. 3 Northern	0.785	0.783
No. 4 Northern	0.693	0.711
No. 5 Wheat	0.654	0.640
No. 6 Wheat	0.628	0.624
Feed Wheat	0.574	0.589
At Vancouver:		
No. 1 Northern	0.827	0.797
At Toronto:		
Milling Wheat*	0.58	0.58

Competitive Export Prices:
(August) shipment:

	High Week to Aug. 30 $	Low Week to Aug. 30 $
No. 1 North. (Vanc.)	0.99½	0.98
No. 2 North. (Atlan.)	0.96¾	0.94½
No. 3 North. (Vanc.)	0.95	0.95
Argentine Rosafe	0.80¼	0.78¾
Do., Barusso	0.79½	0.78
Australian	...	...
West Australian	0.87⅛	0.85¾
French	0.61½	0.60¾
Russian	0.81⅛	0.81⅛

* New crop.

N. American Elevators Has Difficult Year

North American Elevators Ltd. enjoyed its full proportion of all export business available in the year ended April 30, 1935, according to President James Playfair. Said he: "The year has been a very difficult one to all those engaged in the grain trade in Canada owing to the restricted export movement of our grain."

Of the outlook, he was a little more optimistic, stating: "Owing to the continued restrictions, it is difficult to forecast what the immediate future has in store. But with the larger stocks of wheat held over from last year, and also the prospects of an excellent crop which is now growing, it is not unreasonable to expect that an increased export movement must come."

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News of Canadian Mining Investments

The Week in Mining

Luck and Geology

WHEN the bunkhouse conversation reaches the point where stories about the discovery of mines are in order, the geologist, nine times out of ten, gets a pretty rough ride.

That is because most bunkhouse conversations are confined to so-called "practical miners," and practical miners, deplore it as you will, have an innate, not to mention inane, distrust for geologists and other men of science. Which is why so many yarns end up with; "... and that was the property the geologists had turned down."

Which proves absolutely nothing at all, although the speaker appears to believe that it proves the futility of geology when it comes to mine finding.

The history of mining proves over and over again that the two most prominent ingredients in mine finding are science and luck.

A striking example of this is provided by the story of the Melville Robb's discovery, in Hebecourt township, near the Ontario border in Quebec. Details of this discovery, which appears on the surface (literally) to be important, are covered in another column. Briefly, however, Mr. Robb's explanation of the discovery was that he located the spot where he believed gold should be found by means of an accurate geological map. Once he got to this spot, he found the clue which he sought by stumbling over a log.

When science and luck have the ball between them, they seldom muff it.

* * *

Inco Tackles Copper

THE announcement this week that International Nickel Co. of Canada is to establish a research laboratory at Copper Cliff, to develop, among other things, new uses for copper is significant when one considers the striking success which this company has had in establishing new uses for its main product, nickel.

It is well known that this company saved itself from probable oblivion after the Great War by energetically opening up new and hitherto unheard of markets for its nickel, with the result that today the use of nickel in peace-time industry far exceeds its use in times of war. If success can attend the sponsorship of a comparatively little known metal like nickel, there is reason for hoping that Inco's new departure may result in finding new outlets for copper. The effect such an achievement would have on the hard-pressed copper industry is obvious.

* * *

Buzz-Buzz

WHO shall control and operate the mining industry of the country? To the casual individual they would naturally say, why, the prospector, the mining promoter, and the large brokerage concerns that dot the large cities throughout the Dominion. But to me the untold wealth of Northern Ontario has a more significant value and usefulness than making just profits for the private shareholder—that vicious circle known as the 'St James' financial group and the so-called money barons of Quebec and Ontario. I do not think I am being dictatorial or drastic when I suggest that ...Hon. Mitchell Hepburn...make the mines of Ontario the property of the people of the province.

"Why not a mining Public Utility as well as a Hydro Utility ... Imagine the prestige of Premier Hepburn when he calls upon the money marts of the world...and has the natural mining resources as guarantee..."

All of which has been extracted from the speech of a self-styled "international authority" who recently took the stump in Toronto in favor of a candidate in the forthcoming federal election.

* * *

Holeproof Platform

IT IS impossible to poke holes in this platform—for the same reason that it is impossible to poke holes in a wire fence.

It would be interesting to take this speaker on a tour of the brokerage houses which he so roundly scores. Let him see for himself the "vicious circle known as the 'St. James' financial group," seated in the board rooms, watching the quotations. The fact, of course, is that a large percentage of mining stock issued is already in the hands of the people of Ontario.

As for credit, it is now fairly well recognized that the mining industry has done more to bolster Canada's credit during depression years than any other single industry. This has been frequently admitted by government leaders.

Perhaps the most absurd section of the whole address occurs when, after admitting that the mining industry contributes an income of about $100 million a year, the speaker states: "We can be fair with the shareholders and owners of these vast enterprises by paying them more than fair prices for their holdings. This, of course, is my own idea..."

Well, we would hang on to it.

* * *

Golds Continue to Drop

CONTINUED improvement in base metal stock prices has taken a heavy toll from the golds, further declines being recorded in almost every gold issue listed on the mining section of the Toronto Stock Exchange as a result of continued liquidation. The Toronto Stock Exchange index of selected golds is recording a new low for the year almost daily.

Whether the decline in golds will continue is problematic. Some of the senior issues are getting close to levels where dividend yield in the face of well-established ore reserves and low costs can scarcely be ignored. Not only are the senior issues selling close to a ten per cent basis, but some of the younger mines are yielding approximately 10 per cent on the present price of their shares. In the case of the latter this means that speculators are making little allowance for possibilities of expansion.

Base metal issues continue to occupy the spotlight. Prices of copper, lead and zinc have shown further improvement in the London market as a result of the war crisis. Hudson Bay Mining and Smelting, Noranda, Consolidated Smelters, Base Metals Corp., Sherritt-Gordon, Falconbridge and Sudbury Basin have all shown a tendency to climb to higher levels. Early in the week International Nickel touched a new high since 1930 to $29.50, dropping back as a result of a corrective reaction in New York.

TAXES EXACT DRASTIC TOLL AT LAKE SHORE

Earnings Per Share Show Reduction of 95c

RESERVES UNCHANGED

Greater Allowance for Depreciation Helps Reduce Profits

Higher taxes and operating costs took a heavy toll of earnings of Lake Shore Mines in the year ended June 30, 1935, and as result net profit dropped almost $2 millions from the previous year, being equivalent to only $4.12 per share as against $5.07 in the year ended June 30, 1934.

The special bullion tax which was in force until May 31 last was the principal factor in the lower earnings shown by the company. Provision for taxes at $2.5 millions was $1.2 millions higher than in the 1934 fiscal period.

Operating costs were higher by $337,000, while revenue from production was $356,000 lower. The grade of ore milled during the year recorded a slight decline, recovery per ton amounting to $19.24 as compared with $19.57 in the year ended June 30, 1934. Mill tonnage totalled 833,094 tons, about 3,000 tons lower than in the previous year.

A strong liquid position is shown by the balance sheet, working capital totalling $9,858,183. This represents an increase of $600,000 over the previous year. Cash on hand alone totalled $8.6 millions and bonds owned by the company and carried at cost amounted to $1,262,444. Shares in Kirkland-Hudson Bay Mines are carried at a cost of $848,896.

Income and Surplus Account
Years Ended June 30

	1935 $	1934 $
Operating income:		
Bullion production..	16,026,108	16,382,274
Less: Special bullion tax	1,447,172	372,459
	14,578,936	16,009,815
Less oper. expenses:		
Devel., m'ng & mill.	4,483,326	4,161,344
Administration	97,721	82,341
Oper. earnings	9,997,189	11,766,130
Add non-oper. income	157,579	135,736
Net earnings	10,154,768	11,901,866
Less reserves:		
Prov. for taxes	1,040,025	936,499
Depreciation	877,551	819,662
Net profit	8,237,891	10,145,705
Less divds. & bonuses	8,000,000	6,000,000
Surplus for year	237,891	4,145,705
Add: Prev. surplus ..	8,499,391	5,702,233
Less: Addit. inc. taxes	24,860	......
Disc. on shares w/o	......	667,797
Mining props. w/o..	......	680,750
Balance carr. for'd ..	8,712,422	8,499,391
Earnings per Share and Dividends:		
Earned	$4.12	$5.07
Dividends	2.00+2.00	2.00+1.00

Working Capital
As at June 30

	1935 $	1934 $
Current assets	11,500,160	10,677,676
Current liabs.	1,641,977	1,486,352
Working capital	9,858,183	9,191,324

In referring to the company's dividend policy, Dr. W. P. St. Charles states that should nothing unfortunate occur the company hopes to continue the annual payment of four dividends of 50 cents and four bonuses of 50 cents or a total of $4 per annum.

During the period June 30, 1934, to June 30, 1935, a total of 833,094 tons of ore were milled, from which a gross recovery of $16,026,109 was made. This figure indicates that grade and tonnage were practically the same as in the previous year, when 836,991 tons of ore were treated, giving a gross recovery of $16,382,274.

Production costs for the year were increased, due largely to more generous allowances for depreciation and to increased taxes. The following table shows distribution of these costs for the past three years. It will be noted that the bullion tax is excluded.

Production Costs Per Ton

	1935	1934	1933
Development	$ .39	$ .55	$1.11
Mining	3.51	2.96	2.87
Milling	1.26	1.21	1.26
*Mktg. & taxes	1.31	1.18	1.24
Gen. & admin.	.24	.27	...
Operating cost	6.71	6.17	6.79
Depreciation	1.05	.97	.98
Total cost	7.76	7.14	7.77

*Exclusive of bullion tax.

No estimate is given in this year's report of broken ore reserves or ore in place. It is stated, however, that these have been fully maintained, leaving the conclusion that the figure of 230,858 tons given at the end of June, 1934, still holds substantially true. The grade as at June 30, 1934, was .81 ounces per ton.

In the section of the report devoted to the superintendent, E. W. Todd states that during the year development drifting was limited almost entirely to further exploration in the No. 1 or south vein zone. Total drifting amounted to 9,286.8 ft. of which 3,238 ft. were driven in ore averaging .77 ounces over an average width of 58 inches.

At the end of the year there was exposed in drift backs a total of 16,540 ft. of ore in which no stoping had been done. The indicated average grade before slashing was .67 ounces per ton across 61 inches. Of the total a length of 10,696 ft. was in the No. 2 vein and 5,844 ft. in No. 1 vein.

Mr. Todd states that the success attending exploration work in the upper and middle levels of the mine, plus the present price of gold, continued to render unnecessary any immediate further development of the lower horizons.

Reference is made to the new No. 5 shaft, being sunk from surface to the 3,950-ft. horizon. This work was done to expedite early removal of all ore in upper and intermediate levels. The new shaft is being connected with present workings.

Hebecourt Rush

Science and a Dash of Luck Behind Newsworthy New Quebec Discovery

With a packsack loaded with "jewellery shop" samples, Melville Robb, youthful veteran of the mining fields, was located in a Toronto hotel by The Financial Post last week, on a brief visit to the city. Mr. Robb had just flown in from the stakings in Hebecourt twp., Quebec, which have caused considerable excitement in mining circles in the past three or four days, and precipitated a rush of old-time proportions.

Since Mr. Robb, a week or two ago, stumbled over a log and located a small piece of float, ten miles of territory straddling the Ontario-Quebec boundary have been solidly staked. The new discovery is considered significant inasmuch as it is directly on the line of strike between the Porcupine area and the Rouyn-Noranda-Beattie areas, and is believed to be the same break.

Already, Mr. Robb told The Financial Post, such well-known mine seekers as "Ike" Waite, Dr. W. F. James, F. M. Connell, Cameron-Bell, Prospectors Airways, Alderson-McKay, and Engineers Prospectors have property staked in the area. An army of prospectors is now in the field.

Apart from the fact that surface showings, judging from the samples shown The Post by Mr. Robb, are plentifully splashed with free gold, little is known of the nature of the new find.

Staked For Robb-Montbray

Latest news from the property staked by Mr. Robb for Robb-Montbray Mines is that the surface showing has been traced for 200 ft., with widths in the neighborhood of five ft. At time of writing, no assaying of any kind has been done.

The showing, Mr. Robb stated, was hidden by about three feet of overburden, which, despite its proximity to well-established areas, and the fact that this whole district was pretty well staked in the old boom days of the Porcupine, has never before come to public attention.

The fact that it has now been discovered is a tribute to modern scientific prospecting methods.

"Boys, There's the Gold"

As with most mining areas, there is a touch of the dramatic in connection with the finding of the new Hebecourt strike. Mr. Robb, with a party of three others, was prospecting in the area for Robb-Montbray Mines. One morning, a few weeks ago, they were examining a geological map of Dr. James issued by the Dominion Government. In the southwest corner of Hebecourt twp. Mr. Robb noted an infinitesimally small section, shown on the map as red and yellow, showing contact of grandiorite and quartz diorite.

Robb put his pencil on the spot, and half in jest said: "Boys, there's where the gold is. There's where I'm going this morning."

Arriving at the point shown on the map, Robb stumbled over a log and found a small section of float which, like the veteran prospector he is, he traced to the point where he made his sensational find.

"So whatever the discovery should turn out to be, the credit goes to the accuracy of Dr. James's map," said Mr. Robb.

Science "in the Air"

While science, and its application by Mr. Robb, must get a large part of the credit for the strike, in one respect, scientific prospecting was left "holding the bag." While prospectors who had made the trip to the area by the overland route from Beattie were busily staking claims, they noticed their more modern brethren circling in aeroplanes overhead, frantically seeking a place to land. The only landing place for planes at the present time is six miles from the scene of Mr. Robb's discovery.

In other respects, however, the new area is strategically located, being only about 15 miles from the Beattie area. Access by water is comparatively easy, thanks to the broad Maguisi River, which flows right past the scene of the discovery.

Treasury Sound

Realizing the fickleness of surface showings, Mr. Robb makes no extravagant claims for his discovery. Until considerably more work is done, nobody can tell how big it is.

"All I can say now," he said, "is that the geological conditions are most favorable, and the surface showing unusually rich," a summary with which most observers appear to agree, and one which is amply borne out by the samples from Mr. Robb's packsack.

In the meantime, a crew of men is being sent into the property by Robb-Montbray to do further surface development work and actual assaying.

Although it is early yet for the company to make any definite announcement of development plans, Robb-Montbray is fairly well equipped at the present time, without further reorganization, to go ahead with the development of the property. While no recent financial statement has been made public, The Financial Post understands that the treasury of the company is in sound condition, and that there are still unissued about 1.3 million shares, of an authorized capitalization of 6 million, $1 par value shares. The board of directors is headed by Robert Bryce, and W. F. James is consulting engineer.

Meanwhile a diamond drilling campaign is being pushed forward on the Biedelman property, located on the bay of the same name and a few miles from the Port Arthur-Sioux Lookout branch of the Canadian National Railways. The work is being performed as a result of a recent deal, whereby Robb-Montbray acquires the prospect on an optional basis. Robb-Montbray's original property in Quebec is idle. The claims are owned by T. O. Lyall and J. C. Biedelman, and have been favorably reported on by M. C. H. Little, consulting engineer, Haileybury.

Ontario's Mineral Output To Set New Record In 1935

Production in the First Half of the Current Year 2.5 Per Cent Higher Than in First Six Months of 1934—Metal Output Up 2.7 Per Cent

Ontario's mining industry will ring up a new production record in the current year, figures released by the Ontario Department of Mines this week indicate. The value of the province's mineral production in the first half of 1935 was higher than in any corresponding period of previous years and is only surpassed by one six-month period, that being the last half of 1934.

Mineral production in Ontario during the six months ended June 30 last had a value of $72,981,997, an increase of $1,777,413, or 2.5 per cent over the first six months of last year.

Nickel Up Seven Per Cent

Metals, with an increase of $1,765,261 or 2.7 per cent, again led the parade, output of metallic minerals being valued at $65,598,201. The increase in this group and in the total is largely due to a further increase in activity in the nickel-copper industry. Nickel production increased 7.02 per cent in value and copper 8.13 per cent. Gold, with an increase in value of $256,380, was also an important factor in the larger total.

In referring to the increase in mining activity in various sections of northwestern Ontario, the bulletin states that gold mining in this part of Ontario is being given a real trial. "The new price of gold, coupled with modern methods and technique of mining, also excellent transportation by railway, truck and airplane, will reverse the unfortunate history of the early attempts at gold mining in some of these sections during the nineties."

Silver Output Down

Despite the rise in the price of silver production of this metal actually declined during the first half of the year as compared with the corresponding period of 1934. Output was about 300,000 ounces lower and value of production declined from $2,642,037 to $2,335,335. Difficulty has been met, the report states, in marketing the lower grades of cobalt ores at satisfactory prices. The opinion is expressed that until the consuming industries are more actively engaged, and a higher and more stable price for silver is quoted, production of silver from Ontario mines will not show any marked improvement.

The non-metallic group declined 10.9 per cent in value. This group covers a wide list of products. With the exception of natural gas and salt none of these bulk large from the value viewpoint. Natural gas production declined $358,250, or 13.5 per cent. Production of arsenic, feldspar, graphite, gypsum and petroleum increased in both volume and value. Salt production increased in volume, but had a lower value.

Comparative figures for the first half of 1934 and 1935 are given below:

Ontario's Mineral Production—First Six Months of 1934 and 1935

Product		Quantity (6 months) 1935	Quantity (6 months) 1934	Value (6 months) 1935 $	Value (6 months) 1934 $
Metallic					
Gold	ounces	1,052,639	1,040,222	21,759,971	21,503,242
Exchange equalization on gold		....	....	15,122,725	15,123,074
Silver	ounces	2,335,335	2,642,037	1,531,924	1,170,320
Platinum metals	ounces	87,340	88,034	2,381,332	2,628,897
Copper, metallic & in concentrates	lb.	112,898,234	92,948,935	8,148,656	7,535,370
Copper in matte exported (a)	lb.	7,681,361	9,315,380	307,255	490,769
Nickel in matte exported (a) .... lb. Nickel, metallic, and contained in oxides, residues and salts	lb.	63,963,301	63,315,706	16,071,186	15,016,662
Cobalt metal contained in oxides, salts, and material exported	lb.	253,998	314,527	168,856	360,334
Bismuth	lb.	4,244	3,977	3,109	3,977
Lead, in concentrate	lb.	5,661	11,437	159	295
Selenium	lb.	35,238	....	67,657	....
Tellurium	lb.	7,038	....	34,345	....
Chromite	tons	53	....	1,026	....
Total		....	....	65,598,201	63,832,940
Non-Metallic					
Arsenic (white and other forms)	lb.	1,729,143	621,019	49,978	22,336
Fluorspar	tons	24	38	312	596
Feldspar	tons	3,111	1,958	27,486	21,473
Graphite	tons	....	....	38,997	32,879
Gypsum	tons	18,758	14,636	81,533	66,985
Sulphuric acid (b)	tons	6,950	7,566	69,500	75,660
Mica	tons	187	232	3,091	9,889
Mineral water	Imp. gals.	13,390	11,200	678	746
Natural gas	M. cu. ft.	3,850,000	4,216,000	2,290,750	2,649,000
Petroleum	bbls.	80,728	67,716	166,609	141,676
Quartz and quartzite	tons	46,934	23,477	69,818	31,895
Silica brick	M.	....	277	....	10,327
Salt	tons	146,481	134,198	726,837	889,935
Talc	tons	5,700	6,716	58,207	68,245
Total		....	....	3,583,796	4,021,644
Structural materials (c)		....	....	3,000,000	2,600,000
Clay products (c)		....	....	800,000	750,000
Grand total		....	....	72,981,997	71,204,584

(a) Copper and nickel exported in the form of matte valued at 5 and 18 cents per pound, respectively, in 1934, and at 4 and 18 cents in 1935.
(b) Sulphur content of acid recovered from sulphur fumes.
(c) Estimated on the basis of building permits issued and contracts awarded, also from monthly reports by the larger producers.

FURTHER ACREAGE IN SUDBURY BASIN NOW UNDER OPTION

McVittie - Graham is Reported Involved in Deal With British

From Our Own Correspondent

SUDBURY.—Several nickel properties, involving a considerable acreage, around the rim of the Sudbury basin, have been optioned, it is reported. It is believed the parties behind negotiations represent the newly formed British Nickel Corporation of London, Eng.

The nickel lands involved in the option agreement are the holdings of McVittie-Graham Mines Ltd. and Gilbert Bennett, well-known Sudbury prospector. The trustees for McVittie-Graham jointly with Mr. Bennett have given options on their properties which include land situated west of the Creighton mine of International Nickel, holdings west of the town of Copper Cliff, as well as in the townships of Garson, MacLennan, Falconbridge and Capreol on the south nickel range, and in Bowell township on the north nickel range.

Details of the activities previously obtained enumerated option deals on properties in Falconbridge, Denison and Blezard townships, held mostly by Sudbury interests. It is understood the options, in which no cash payments were involved, mature in November and December.

Negotiations were all carried on by an intermediary, acting for the principals, and it is reported the contracts have been forwarded to England. Later it is understood, engineers will be dispatched for the purpose of an examination of the various properties, so that it will be toward the end of the year at least before anything is definitely known as to the ultimate intentions of the new nickel interests.

LEBEL ORO DEWATERS LONG LAC PROPERTIES

Plan to Drill from 300 ft. Horizon in Search for Ore

From Our Own Correspondent

SUDBURY.—Pumps are presently engaged in dewatering the shaft and open cut of the Long Lake property of Lebel Oro Mines, seven miles from Sudbury. It is the intention of the management to take a diamond drill outfit to the second level at the 300-ft. horizon, in a continued effort to locate the faulted ore body. It is expected to have all the water out by the Oct. 1.

For some time drilling has been proceeding at the first level, where several flat holes have been put out, a number of which have intersected marginal ore. At present drilling is being done to the southeast. The lost ore body was about 125 ft. in diameter and extended down to the second level, where a rock movement was found to have displaced the lower portion.

Operation of the 200-ton cyanide mill and ball mill, which were installed to treat the piles of tailings left from previous milling operations 20 years ago, has been suspended for the present. It was found that owing to the oxidization of the sulphides it was impossible to float the tailings, and officials are now considering a scheme of mixing mine ore in treatment of the slimes.

To carry on this work, shareholders of the company are to be asked to approve reduction in authorized capitalization from the present 3 million shares of $1 par value to 1 million shares, $1 par value. This will reduce all holdings to one-third of the present amount. The capitalization will then be increased to 3 million shares, 2 million of which will be issued to net the treasury one cent per share, or possibly more.

To Reduce Directors

Shareholders will also be asked to approve reduction in the number of directors from seven to five. In addition, authorization will also be sought for an option to B. O. Jones to purchase 1,000,000 shares at 15 cents per share within 18 months and 500,000 shares at 25 cents per share within 24 months. These options are in consideration for Mr. Jones's undertaking to purchase not less than 170,000 shares at $25,500.

Present shareholders would have the right to purchase stock optioned to Mr. Jones. Such rights would be on the basis of one new share at 15 cents for each three shares now held. This offer is good for 30 days after the granting of the options. Each purchaser of a share of option stock may, during the life of the second option, buy one-half share at 25 cents per share.

Following expenditure of $125,000 for and on the Long Lake property, acquired in July, 1933, and with $15,000 of accounts payable, the treasury of the company is depleted. Lacking finances to purchase equipment, the mill at the Long Lake property has been shut down.

DIANA MINES REPORTS OUTPUT OF $141,392

Operating Profit For Eleven Month Period Totals $38,664

Operating profit of $38,664 is reported by Diana Mines, operating in the southeastern section of the Rice Lake area, Manitoba, for the 11 months ended June 30 last. Production for the period totalled $141,392 while costs totalled $102,728.

Supplies on hand at the end of June, including a 100-ton ball mill not yet erected, are reported by the company to have a value of $55,232. Machinery and equipment are valued at $10,823.

Mill tonnage during the period ran from 27 to 35 tons daily, except during months when machinery breakdowns reduced the average. Approximately 50 tons of ore were brought to the surface daily. This was reduced to the average mill run by sorting.

Extensive exploration and development is to be undertaken during the summer months. The mine is being dewatered to the 750-ft. level. Operations up to the present have extended only to the 650-ft. level. The 100-ton mill is also to be installed.

Nfld. Undaunted As Timmins Corp. Pulls Up Stakes

The option on certain gold prospects at Sop's Arm and Ming's Bight, in Newfoundland, held by Timmins Corp. of Canada, will not be exercised by that corporation, The Financial Post is informed.

The decision is apparently based on a report of the property made by J. A. Pare, one of Hollinger's leading engineers, who visited Newfoundland and examined the properties in company with Dr. A. K. Snelgrove, government geologist.

Undaunted by this apparent set back to gold mining in Newfoundland, that colony's mining supporters claim that the nature of the ore at these two areas is such that bulk sampling is the only fair method of testing the potentialities of the properties. Mr. Pare, in accordance with generally accepted thorough-going mining methods, took channel samples of these areas.

SOME LIQUIDATION ON RISING MARKET IS SHOWN BY SEC

Tendency to Lighten Holdings Not as Marked in Mining

In the July statement issued by the Stock Exchange Commission in the United States, many large sales were reported by directors and officials as they utilized the opportunity provided by a rising market to lighten their holdings. In some significant quarters, however, holdings were increased, and the tendency to decrease holdings was not as marked in Canadian mining stocks as in other sections of the market.

Transactions reported by officials of Canadian mining companies were as follows:

Dome Mines—Jules S. Bache, president, reports direct holdings of 38,300 shares; through Richmill Bahamas Co. increased holdings 1,700 shares to 30,800.

Howe Sound—W. J. Quigley, president, decreased holdings 2,000 shares to 5,501. E. B. Schley, chairman of the executive committee disposed of 4,000 shares by gift, holding 18,676.

Hudson Bay Mining and Smelting Co.—Frank L. Crocker, director, decreased common holdings 1,000 shares to 16,000. C. V. Whitney, director, converted $199,400 debentures into 13,293 common, holding 188,294. Through C. V. Whitney Trust (proprietary interest not shown), holds 175,000 common and disposed of $175,000 convertible debentures. Through H. P. Whitney estate (proprietary interest not shown), holds 4,400 common and disposed of all of $261,500 debentures.

International Mining Corp.—George A. Easley, vice-president and treasurer, acquired 250 warrants for common by distribution, holding 10,200 and also 1,500 shares of common stock. Karl F. Hoffman, asst. sec. and asst. treas., acquired 250 warrants for common as compensation holding 4,500 and also 500 shares of common.

Premier to Have Control "Silbak Premier Mines"

From Our Own Correspondent

VANCOUVER.—A general meeting of Premier Gold Mining Co., will be held here September 17 when they will be asked to approve plans for consolidation of the Premier and B.C. Silver properties. Details of the proposed consolidation were published in The Financial Post some weeks ago. It is understood that the name of the new corporation will be Silbak Premier Mines, Ltd., incorporating the names of B.C. Silver, Sebakwe and Premier.

The agreement provides for the taking over of the three properties by the new company as from January 1, 1936. The new company, it is understood, will mill for Premier account the remaining ore in that company's mine until May 15, 1937, or earlier date as may be agreed upon. The Premier, in effect, will have full control of the plant as five of the seven directors of the new company may be appointed by Premier.

Johnson-Nipigon Mines Suspends Development

Tom Johnson-Nipigon Mines has suspended all work on its property in the Beardmore area and dropped its option, a report to shareholders covering operations for the first half of the year states.

During the period reviewed by the report, active development was carried out on the optioned property, with diamond drilling being commenced in February. About 3,400 ft. of drilling was done. Results were disappointing. Vein matter intersected, while showing values from a few cents to $30 a ton, was over narrow widths and could not be considered as commercial.

As a payment on the option was due June 17, directors decided to drop the option and conserve the resources of the company. The company has no outstanding debts.

Soocana to Install 25-ton Mill Unit

From Our Own Correspondent

SUDBURY.—Another small milling plant is projected for the Michipicoten district. The Soocana Mining Co., which has been carrying along development in a modest way, is planning to have a 25-ton milling unit in operation in October. The company has under contract and option three properties, the Reed-Booth, the Holdsworth and the Pyrite claims. Previous sponsors constructed a small pilot mill on the Holdsworth property and this is being improved and repaired by the present operators. Millfeed will be from an open cut in the side of a hill. Electric power is to be procured from the Great Lakes Power Co.

Soocana Mining Co. is capitalized at 2,500,000 shares of par value of $1 each. Officers and directors comprise mostly business and professional men of the Canadian and Michigan Sault.

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SMELTERS' WORK ON BIG MISSOURI STIRS INTEREST

Projected Mill May Mean Expenditure of $1.5 Millions

From Our Own Correspondent

VANCOUVER.—Officials of Consolidated Mining & Smelting Co. were expected to make another examination of the Big Missouri or Buena Vista property with a view to deciding on the location of the proposed mill.

Keen interest in this development has been aroused throughout the north country as a result of the intimation by J. J. Warren, Smelters president, that this company had extensive plans for Big Missouri as a low grade producer. The provincial government promised to co-operate in road-building if the company built a plant of 1,000 tons or more daily capacity.

If a mill of 1,500 tons capacity is to be erected, as seems to be likely, an expenditure of at least $1,500,000 is anticipated on mill construction alone. Power plant, machine shops, camp buildings, tramway, etc., would account for that much again.

With such a large outlay in prospect, the company naturally does not feel like plunging into the investment without a thorough preliminary check-up on all conditions affecting the enterprise. Reports from the east were to the effect that executives of the Quebec Gold Mining Corp. were coming to look over Big Missouri with a view to deciding on the size of the mill, as Quebec Mining has considerable stock interest in Big Missouri; but it is believed here that location rather than size is the issue to be decided now.

Low Grade, Low Cost

At present the Big Missouri is being operated through the Province tunnel from the east side of the Big Missouri ridge, which is said to have a depth of between 600 and 700 ft. on the ore body. Completion of the long tunnel driven since last summer from the Day property on the west side of the ridge, having established the downward continuation of the ore body for another 500 or 600 ft., and possibly lower than that, has presented no insignificant problem.

Average of Big Missouri ore is reported to be only $5.60 gross, but costs may be brought down to about $2 a ton if not less. The company will depend on its volume of production and operating advantages.

At the Mines

Anaconda Oil Co.—Directors and officers of the company were recently re-elected. They are as follows: A. C. Johnson, Calgary, president; O. L. Reinecke, Claresholm, Alta., 1st vice-president; H. H. Gilchrist, Calgary, 2nd vice-president; A. J. Scott, Calgary, managing director and secretary-treasurer; J. T. Atkinson, and Major A. C. Landale, both of Calgary.

* * *

Premier Gold Mining Co.—Has declared regular dividend of three cents Canadian currency per share, and also an extra of one cent per share, payable Oct. 15 to shareholders of record Sept. 13, 1935. This represents a total payment at that time of $200,000 Canadian currency.

* * *

Young-Shannon Gold Mines—A wire from the field reports that No. 5 drill hole has cut 2½ ft. of quartz with free gold showing in the drill core. Further east at No. 6 hole two ft. of quartz and two ft. of sulphides constitute the vein material.

* * *

Ricard Ramore Gold Mines—A report that underground work is being carried on at six different places on the 100-ft. level to bring out values. Drifting is being carried on east of the intrusive dike where the parallel system of veins contact, with encouraging results, the company reports.

KNEE LAKE FIELD GAINS IMPORTANCE AS GOLD DISTRICT

Steady Progress Made by Northern Manitoba Operators

From Our Own Correspondent

WINNIPEG.—Knee Lake is assuming definite importance among northern Manitoba goldfields.

Before the end of September Knee Lake Gold Mines will have crosscut to veins on two levels and commenced drifting.

Superior Mining Corp., a Winnipeg fiananced company, has five groups of claims, strung along the length of Knee Lake, with one group adjoining the Johnston Knee Lake and Knee Lake companies. On its No. 2 group, however, most of the season's work has been concentrated. This is some little distance away and lies directly north of Cinder Lake. While sufficient work on all the groups has been done to provide assessment requirements, the No. 2 group, on which a strong vein has been located, has received extensive stripping and trenching under the direction of the field engineer, W. C. Mitchell. The break in which the vein occurs has been traced for 5,000 ft, while vein proper has been followed and exposed in places over 900 ft.

Sol D'Or Mines Plans Extensive Development

No time will be lost in placing the new 50-ton mill at the property of Sol D'Or Gold Mines at Grace Lake in the Patricia district in operation, William T. May, consulting engineer for Milton Hersey Co., states in a recent progress report. Plans are underway for a more extensive development programme.

Sampling of the exposed veins has given encouraging results, the report states. No. 1 and No. 2 veins show strength, length and good possibilities. Stripping and trenching is being carried on. The exploration programme has recently been speeded up.

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Sorting the Mines

An Impartial Analysis of Listed Stocks from A to Z

Like the world, it takes all kinds to make a stock market.

Of the three hundred or so mining companies whose stock is listed on the various Canadian exchanges, the whole gamut of mining promotion is represented, including deadwood; those whose only chance of activity lies in the hands of promoters behind it; sheer gambles; likely prospects; short term and long term investments.

In what category do your pet stocks lie?

In an attempt to help you answer this question, The Financial Post has outlined a new series of articles. In alphabetical order, the listed mining stocks, quotations on which appear weekly in this paper, will be dealt with in terse, frank analyses, three or four each week. The series, which will necessarily be of some months duration, will deal exclusively with the present picture, referring to history only when that history has a direct bearing on the current picture.

It is hoped that by this means readers of The Financial Post will, when the series has been completed, have been presented with a comprehensive cross-section of the mining market, from A to Z.

Afton Mines Ltd.

This company affords a good example of what the introduction of experienced management, plus higher gold prices, can do for a property which for years has been idle and undistinguished.

Between 1929 and 1934, the property, near Emerald Lake, in the Temagami district, was idle. In 1934, Consolidated Mining & Smelting Co. entered an option agreement to develop the property, spending in that year some $10,000 on preliminary work. In addition, Smelters agreed to spend $90,000 on further work, taking down stock as work proceeded.

This work was encouraging. As a result, early this year, a new company was formed, known as New Golden Rose Mines Ltd. As vendors, of the property, Afton received 1 million shares of the 3 million share authorized capitalization. The remaining 2 million shares were optioned to Smelters, in consideration of development finances.

Thus, a considerable part of the market attraction in Afton is centred on its one million share interest in New Golden Rose. At this property, under the experienced guidance of Smelters, work is rapidly whipping the rock into shape. From an adit driven into the hillside, a shaft is down 400 ft., with three levels established at 150, 250 and 400 ft. Lateral work on these horizons has indicated widths and values of commercial significance.

In addition to the New Golden Rose property. Afton has an option on a two-thirds interest in a property on Austin Bay, at the head of Temagami Lake. This property is at present being drilled, and is little more than a raw prospect.

In July, Afton obtained control of eight claims in the Suicide River district in northern Ontario. Drilling is also being done on this property, which, if results are encouraging, will be the nucleus for a new company.

Of Afton's 2 million share, $1 par value authorized capitalization, all is outstanding. As at March 23, 1935, the company reported cash in the bank of $38,490.

Prominent on the board of directors are a group of well-known New York financiers, including J. Bradley Streit and Stuyvesant Fish.

In addition to listing on the Toronto Stock Exchange, Afton is listed on the Montreal Curb market.

Price Range of Stock
1935

	High	Low	Last
Common	$0.74 (July)	$0.38 (May)	$0.72 (Aug. 31)

Aldermac Mines Ltd.

This company is a pyrite and copper proposition, owning property in Rouyn area of Quebec, equipped with a 500 ton per day concentrator.

At the present moment, affairs of the company are more or less obscure, owing to financial reorganization plans, referred to, but not outlined, at the time of the last annual report in April, 1935. This reorganization is necessary, it was stated, to provide funds for the installation of a sulphur-producing unit. The company has obtained an option for Eastern Canada, and Newfoundland, on the exclusive right to use the chlorination process in producing elemental sulphur from pyrites.

Due largely to low copper prices, and general marketing conditions, operations at this property have been sporadic, and the outlook at the present time is uncertain, despite the fact that both Towagmac Exploration Co. and Noranda Mines are materially interested in the company, through stock ownership.

With a type of ore low in precious metal value, and with a record of unprofitable operations based on copper output, the future of this company must depend largely on the recent stress laid on production of sulphur. For this the company claims to have contracts for a number of years. The reason for the projected reorganization is apparent in the company's balance sheet which shows nearly all of the 5 million share authorized capitalization outstanding, and a deficit in the working capital account, or an excess of current liabilities over current assets, totalling, as at Dec. 31, 1934, $543,757.

Whether the introduction of a sulphur producing plant will sufficiently augment the copper production to allow the company to meet current liabilities of about $581,000 and show a profit is a matter of conjecture.

Price Range of Stock

	High	Low	Last
1934			
Common	$0.33 (April)	$0.05 (Dec.)	$0.11 (Dec. 31)
1935			
Common	$0.11 (April)	$0.04 (June)	$0.07 (Aug. 31)

Alexandria Gold Mines Ltd.

If the underground workings at this gold property in the Nanaimo mining division of B. C. had gone down with as much ease as the price of the stock, the story might, perhaps, have been a lot different.

A series of setbacks has hampered development, with the result that the company has made comparatively little progress since its incorporation in 1927 despite the fact that much work has been done. Since 1931, when it was announced that International Mining Corp. had agreed to carry on development, no less than five similar options have been reported and have failed to bring the property into production.

International Mining Corp., McVittie Graham Gold Mines, Midcontinent Goldfields, Premier Gold Mining Co., and Hercules Consolidated Gold Mines have all attempted to work this property. When the option granted Hercules Consolidated was dropped by the latter company last July, it left the property without a sponsor, although the officials were confident that the future lay at depth.

During the currency of the Premier option, work done on the bottom level of the mine failed to show anything of significance. Officials of the company have stated that water had interfered with cross-cutting operations on the bottom level, before the vein had been intersected.

At the present time, the company still hopes to attract funds in sufficient amounts to resume development work. Until this is achieved, however, this stock appears to have little attraction, other than as a straight speculation.

The company's balance sheet as at May 31, 1935, showed that the company issued $4,865,768 of its authorized capitalization of $5 million. Cash in the bank at that time amounted to $6,546. Investments consisted of 2,694,549 shares of Alexandria Mining Co., a subsidiary operating company; 350,000 shares of Bush Consolidated Gold Mines Inc.; and 5,000 shares Hyland Basin Gold Mines Ltd.

Price Range of Stock

	High	Low	Last
1934			
Common	$0.10 (Feb.)	$0.01¼ (Dec.)	$0.02 (Dec. 31)
1935			
Common	$0.02½ (March)	$0.00½	....

Bailor Gold Drilling Cuts Vein at 625 ft.

From Our Own Correspondent

WINNIPEG.—A wire received from Bailor Gold Mines, drilling the McCafferty group of claims on Herb Lake, states that the No. 35 drill hole, which is one of the most recent deep holes to be put down, cut the vein on the 625 ft. horizon. The message says there was more than ordinary pyrite shown in the core and many minute particles of free gold. Free gold has been found in the cores from seven of the drill holes, while heavily mineralized matter has been found in most of them. Continuity of the vein to between six and seven hundred feet in depth has also been established by the more recent drilling results.

Drilling by the W. E. Bailor Co. on the Wekusko Gold Mines property on Herb Lake is said to be producing such interesting results that the company is considering an extension of the original diamond drilling programme. Good values have been obtained and additional holes are being spotted.

Bidgood Kirkland Obtains Finances For Development

Financial arrangements have been entered into by Bidgood-Kirkland Gold Mines whereby the company will be provided with funds for additional development of its property in the Kirkland Lake area, according to an official announcement.

Underwritings and options have been given to undisclosed financial interests, which, if all taken up, will net the company about $187,000. On completion of the deal 1,000,000 shares will remain in the treasury out of 4,000,000 shares authorized.

New financial arrangements were necessitated by the withdrawal of Premier Gold Mining Co. early in June. Premier had been providing finances for development of the property since early in February.

Sidney A. Pain, M.E., consulting engineer in charge of operations, states that the mill is treating about 55 tons of ore daily, with millheads running between $7 and $8 per ton. Operating profit amounts to about $3,000 per month.

With the new funds available it will be possible to extend workings on the present levels, and also permit shaft sinking.

Dealing with ore reserves, Mr. Pain states that on the 500-ft. level there are 1,547 tons of ore blocked out, averaging $11.30 per ton; on the sub-level, 1,258 tons, averaging $11.30 per ton; below the 500-ft. level to 60 ft., 2,080 tons, averaging $12.30; in the 510 south drift, 625 tons, averaging $7.50; in the 505 drift, 500 tons, averaging $7.50; and in the Moffat-Hall vein, 250 tons of $8 grade, or a total of 6,250 tons with a total value of $67,697. Mining, milling and general costs are estimated at $6 per ton.

Mining Reports

Roan Antelope Copper

Net profit of Roan Antelope Copper Mines, North Rhodesian producer showed marked improvement in the three months ended June 30 as compared with the first quarter of the year. Profits, before taxes, amounted to £125,500 as against £68,241 in the first three months. Revenue for the period was higher and operating and administration expenses lower.

Improvement in profits is largely due to higher prices obtained for copper. The company's production is restricted to 4,200 tons per month under an international agreement with world producers. During the second quarter of the year the average price of standard copper in London was £31 17s. 11d. per long ton. The average price in the first quarter of the year was £27 19s. 5d. per long ton.

Revenue and Expenditure Account
Three Months Ended

	June 30 1935 £	March 31 1935 £
Gross revenue	481,500	454,272
Less: Oper. & admin. exps.	295,500	325,608
Net earnings	186,000	128,664
Less: Debenture inter.	23,000	22,923
Res. for deprec. ...	37,500	37,500
Net profit before taxes	125,500	68,241

New Raise at Darwin Gold Discloses High Grade Ore

Spectacular high grade ore has been disclosed at the property of Darwin Gold Mines in the raise being put through from the fifth to the fourth level, according to word received from R. E. Hore, the company's geologist. The new raise is located 50 ft. south of the shaft in hitherto unexplored territory. Assay results are not available as yet.

Work on the new vertical shaft is proceeding steadily, with erection of the steel headframe well under way. Underground work is continuing. The management expects that the 50-ton mill will be placed in operation shortly after Oct. 1.

Metal Prices

New York—Sept. 3—

Copper: Electrolytic spot and future, $8.50.
Silver: 65⅝c.

London—Sept. 3—

(Long Ton)—
Copper: Electrolytic spot, £36 15s; future, £37 5s. Standard spot, £33 2s 6d; future, £33 10s.
Tin: Spot, £220 17s; future, £210 7s 6d.
Lead: Spot, £15 12s 6d; future, £15 15s.
Zinc: Spot, £15; future, £15 7s 6d.
Gold: 140s 3d.
Silver: 29d. per ounce.

Canada—Sept. 3—

Gold: $34.94.

DOMINION BRIDGE MILL OPERATIONS ON WIDER SCALE

Lachine Employs More Men — Other Units Report More Business

From Our Own Correspondent

MONTREAL.—More men are now employed at the Lachine works of the Dominion Bridge Co. than at any time in the past four years. This improvement reflects orders recently received by the company for the manufacture of steel for buildings in Montreal, and gasoline and oil tanks to be erected in the wake of the development of the refining industry in the eastern part of the Island of Montreal.

Dominion Bridge's Vancouver unit is also reported to be more active than for some time past. It will be recalled that a few weeks ago the company received the major share of the contract for steel in connection with the new bridge being erected at New Westminster. Nearly $3 millions are involved in this contract and several months work will be required in order to complete the job.

Contract for Winnipeg

The Winnipeg unit was successful last week in securing a Dominion contract for the bridge superstructure being erected at Selkirk, Man. The value of this contract is placed at $155,153.

There are no outstanding jobs at the Toronto, Calgary or Edmonton plants, but it is understood that, taken as a whole, the different units of Dominion Bridge Co. have more business on hand than was the case last year.

Erie Gas Ltd. Plans To Expand Operations

Directors of Erie Gas Ltd. have under consideration important plans for substantial extension of the company's asset and income position, according to an announcement made by L. G. Van Tuyl, president.

The company recently acquired a one-fourth interest in 10,500 acres of oil and gas leases in the southwest corner of San Miguel county, New Mexico, from the Dragon Oil Corp. The latter company is preparing to begin drilling a well on this interest in the very near future. Because of its favorable structure, this interest has very important possibilities for the company, Mr. Van Tuyl states.

The letter also states that the company is free from debt except for small current liabilities and derives an income from its producing properties in Norfolk County in excess of its current expenses.

BROWN CO. FAILS HOLD OFF DEFAULT ON BOND INTEREST

American Operator With Mills in Canada Plans to Reorganize

From Our Own Correspondent

MONTREAL.—Brown Co., one of the largest pulp and paper manufacturing companies in the east with mills at Berlin, N.H., and La Tuque, P.Q., has capitulated to the economic forces which have brought bankruptcy to a number of other pulp and paper companies. Officials of the company have issued a statement to the effect that bond interest now due cannot be met. A petition is being filed for reorganization under the new National Bankruptcy Act in the U.S.A.

This announcement was not unexpected, though in some quarters it was believed that the company would pull through. Low selling price for pulp and other products manufactured by the company, the burden of bond and loan interest and other factors combined to force the company to default on its funded debt.

Approximately $21.4 million in bonds were affected by the company's decision. They included two 5½ per cent issues maturing in 1946 and 1950, secured by first mortgages.

Heavy Operating Losses

Last year the company reported a net loss of nearly $2.3 millions, compared with deficits of around $2.7 millions in 1933 and $4.4 millions in 1932.

At the end of last year current liabilities were listed at about $5.1 millions and current assets as $6.1 millions. The latter consisted largely of inventories and advances on logging operations.

In addition to the funded debt, the company had over $1 million in other long-term indebtedness. As regards bank loans, the company had made arrangements with a discounting firm to take over current accounts and it had been thought that this move would provide sufficient liquid resources to enable the company to continue meeting loan and other obligations. That the plan failed is apparent by the notice of default on bond interest.

Assets of $74 Millions

Brown Co.'s last financial statement showed total assets of $74.5 millions, of which approximately $65 millions represented investment in mill properties and timberlands. The mill at Berlin manufactures a variety of pulp products, while that at La Tuque is mainly engaged in producing pulp. Extensive timber limits are owned both in Canada and the United States.

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20 for 25¢
"IT'S THE TOBACCO THAT COUNTS"

Mining Stock Quotations

Week Ending August 31.

Par Val.	Range 1935 High	Low	Company	Sales	Close Aug. 26 (or last)	High for week	Low for week	Close Aug. 31
1	.74	.38	Afton	101,900	.60	.72½	.60½	.72½
No	.11	.04	Aldermac	4,304	.08	.07	.06	.06
1	.02¾	.01	Alexandria	3,000	.01	.01½	.01	.01
No	.57	.40	Algold	......	.42	.....	.....	.....
No	.08½	.02½	Algoma	1,275	.03½	.03½	.03½	.03½
No	4.50	3.70	Anglo-Huronian	281	3.91	4.00	3.93	4.00
No	.04	.01½	Arno	......	.02½	.....	.....	.....
1	.32	.09	Ashley	1,300	.07½	.10	.10	.10
1	.08	.02½	Astoria Rouyn	5,500	.03½	.03½	.03½	.03½
1	.14	.03	Bagamac	4,400	.04½	.04½	.04	.04½
1	.08	.02½	Barry Hollinger	18,600	.03½	.05	.03½	.04½
1	.94	.39	Base Metals	95,480	.62	.66	.41	.44
1	1.06	.14	B.E.A.R.	238,810	1.03	1.06	.72	.83
No	2.16	1.27	Beattie Gold	450	1.45	1.55	1.45	1.55
1	.75	.30	Big Missouri	6,487	.55	.56	.53	.53
1	.38	.18	Bobjo	12,375	.19	.19½	.18	.18½
No	12.50	4.30	Bralorne	4,294	4.85	4.75	4.60	4.65
1	.61	.20	Brazil Gold	9,100	.50	.48	.42	.45
1	.03	.01¾	Brett Trethewey	1,000	.02½	.02	.02	.02
50c.	.24	.07	Bridge River Ex.	10,700	.08½	.08	.07½	.07½
1	.03	.01	Brownlee	160,000	.01½	.01½	.01½	.01½
1	3.50	2.40	Buffalo Ankerite	5,825	2.50	2.60	2.50	2.50
No	.03½	.01	Buffalo Can.	1,000	.01½	.01½	.01½	.01½
5	38.15	33.75	Bulolo Gold	620	34.00	34.40	33.00	33.00
No	.07½	.03	Bunker Hill	7,600	.07	.07½	.07	.07
1	.03½	.01	Can. Kirkland	500	.01½	.01½	.01½	.01½
No	.75	.54	Can. Malartic	13,512	.60	.61	.59	.60
1	1.50	.95	Cariboo Gold	100	1.10	1.07	1.07	1.07
1	.05½	.02	Cartier Malartic	1,500	.02	.02½	.02½	.02½
1	1.34	.55	Castle Trethewey	5,850	.90	.90	.87	.88
1	.07½	.02½	Cen. Manitoba	2,000	.03½	.03½	.03½	.03½
1	1.79	1.12	Cen. Patricia	14,100	1.63	1.63	1.55	1.56
No	.27	.08	Chibougamau Pros.	21,800	.15½	.15½	.14½	.15
No	.06½	.03	Church M. & Mill	600	.04½	.05	.04½	.05
No	.08	.02	Clericy	13,500	.03½	.04	.03	.04
5	3.25	1.50	Coast Copper	25	2.70	2.75	2.75	2.75
1	.08	.01½	Cobalt Contact	7,500	.01½	.02	.01½	.02
No	.15	.02½	Columario	......	.02½	.....	.....	.....
5	3.60	2.20	Coniagas	825	2.50	2.50	2.20	2.50
No	2.60	1.35	Coniaurum	600	1.80	1.70	1.67	1.70
25	184.75	125.50	Cons. Smelters	695	170.50	170.00	166.00	168.50
No	44.00	34.50	Dome Mines	825	38.75	38.65	37.15	37.75
1	.10	.04	Dom. Explorers	2,625	.05	.05	.04½	.05
1	.17½	.08½	Duparquet	22,900	.09½	.09½	.08½	.08½
1	2.93	1.02	Eldorado	19,500	1.45	1.46	1.26	1.34
No	4.52	3.25	Falconbridge	10,760	4.35	4.52	4.20	4.20
1	.04½	.02	Federal	2,500	.02½	.02½	.02½	.02½
No	.16½	.05	Francoeur Gold	2,000	.09	.09½	.09½	.09½
1	.40	.30	Franklin Gold	8,800	.31½	.32	.30	.30
1	.45	.09	Gabrielle	1,900	.11½	.15	.10½	.15
No	.03½	.01½	Gilbec	4,000	.01½	.01½	.01	.01
No	2.24	1.24	God's Lake	15,275	1.45	1.47	1.42	1.46
1	.20	.11	Goldale	3,600	.11½	.11½	.11½	.11½
50c.	.46	.25	Gold Belt	......	.25	.....	.....	.....
10	.19	.10	Goldfield	100	.14	.12	.12	.12
1	.15	.04	Goodfish	750	.07	.07½	.06½	.07½
1	.07	.02	Graham Bosquet	5,500	.03	.02½	.02½	.02½
1	.40	.17	Granada Gold	5,128	.21	.20	.19½	.19½
No	.12	.05½	Grandora	5,000	.06½	.06	.06	.06
1	.45	.17	Greene Stabell	1,700	.20½	.20	.20	.20
1	.05	.02½	Grozelle	6,000	.02½	.02½	.02½	.02½
1	.10	.04½	Grull Wihksne	......	.04½	.....	.....	.....
1	.97	.48	Gunnar Gold	21,150	.72	.74	.68½	.72
1	.08½	.02	Halcrow Swayze	3,000	.02	.02	.02	.02
1	.10	.04	Harker	4,600	.05	.05	.04½	.04½
5	20.25	12.65	Hollinger	8,386	12.65	12.75	12.50	12.75
1	1.10	.65	Howey Gold	2,900	.70	.70	.68	.70
No	16.00	11.50	Hudson Bay	2,141	15.25	15.25	14.75	15.25
1	15.35	11.95	Inter. Mining	......	12.50	.....	.....	.....
1	6.50	5.00	Do., Pur. Warr.	......	5.00	.....	.....	.....
No	29.25	22.25	Int. Nickel	10,079	29.12	29.50	28.50	29.00
100	130.75	125.00	Do., pref.	......	125.00	.....	.....	.....
1	.20	.11	J. M. Cons. Gold	20,700	.12½	.12½	.11	.11
1	.75	.45	Kerr Lake	220	.55	.52½	.45	.52½
1	.31	.20	Kirk. Hud. Bay	500	.30	.30	.30	.30
1	.01½	.00½	Kirk. Hunton	......	.00½	.....	.....	.....
1	.65	.33½	Kirkland Lake	9,200	.35	.39	.34	.37
1	.33½	.12½	Kirk. Townsite	......	.14½	.....	.....	.....
No	.07	.02½	Lake Maron	3,500	.02½	.03	.02½	.02½
1	58.00	47.25	Lake Shore	2,641	48.65	49.40	48.00	48.50
1	.08	.02½	Lamaque Contact	5,000	.02½	.02½	.02½	.02½
1	.09½	.03½	Lebel Oro	21,400	.03½	.03½	.03½	.03½
1	.08	.02½	Lee Gold	18,200	.03	.03½	.03	.03
No	7.25	4.25	Little Long Lac	7,775	4.50	4.85	4.50	4.75
1	2.75	1.31	Macassa	97,470	1.66	2.64	1.65	2.04
1	.03	.00½	Malrobic	3,000	.00½	.00½	.00½	.00½
No	.10	.05½	Mandy	400	.10	.10	.10	.10
No	.12½	.03	Man. & Eastern	7,500	.05½	.05½	.05	.05½
1	.14	.03	Maple Leaf	12,900	.03½	.03½	.03½	.03½
5	46.00	36.25	McIntyre	370	36.75	37.50	36.50	37.50
1	1.45	1.06	McKenzie R.L.	16,025	1.15	1.16	1.11	1.15
1	.70	.40	McKinley	......	.40	.....	.....	.....
1	.46½	.07½	McMillan	11,000	.10	.09	.08½	.08½
No	2.15	.45	McWatters	17,750	1.60	1.63	1.48	1.52
1	.40	.10	McVittie	1,800	.13	.13	.13	.13
No	1.50	.85	Mining Corp.	2,000	1.30	1.27	1.15	1.15
No	.21	.07½	Minto Mines	......	.08	.....	.....	.....
1	.04	.01	Moffatt Hall	14,100	.01½	.02½	.01½	.02
1	.16	.09	Moneta	2,200	.10	.12	.11	.12
1	.74	.49	Morris Kirk	13,850	.70	.70	.67	.69
1	.01½	.00½	Murphy	1,000	.00½	.00½	.00½	.00½
No	.04	.01½	Newbec	7,000	.02½	.02½	.02	.02
1	.04½	.00½	Night-Hawk Penn.	......	.01	.....	.....	.....
5	2.95	2.10	Nipissing	1,650	2.25	2.25	2.20	2.20
No	43.00	31.00	Noranda	8,430	39.00	39.25	38.00	39.00
No	.31	.16	Nor. Canada	200	.20	.24	.16	.24
1	.75	.30	O'Brien	1,500	.37	.37	.35	.37
1	.10	.04	Osisko	......	.05	.....	.....	.....
1	.32	.18	Parkhill	3,450	.20	.20	.19	.19½
1	.04½	.01	Pawnee Kirk	......	.02½	.....	.....	.....
1	.30½	.16	Paymaster	13,825	.24	.24	.21	.21½
1	.84	.40	Pend Oreille	4,200	.70	.70	.60	.60½
1	.83	.55	Perron Gold	2,750	.60	.62	.60	.60
1	.09½	.01½	Peterson Cobalt	21,600	.03½	.03½	.03	.03½
1	2.96	2.10	Pickle Crow	10,055	2.46	2.47	2.35	2.37
1	12.25	9.00	Pioneer Gold B.C.	670	9.40	10.00	9.65	9.75
1	.06	.03	Porcupine Crown	175,500	.04½	.06½	.04½	.05
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	2.05	1.35	Premier Gold	20,650	1.43	1.70	1.45	1.66
1	.02½	.01	Preston E. Dome	......	.01½	.....	.....	.....
No	3.05	1.25	Prospectors Air's	4,520	2.10	2.55	2.20	2.50
1	.80	.09½	Quebec Gold	3,300	.60	.55	.55	.55
No	.15	.02½	Quemont	......	.03	.....	.....	.....
1	.98	.55	Read Authier	2,957	.83	.85	.80	.80
No	.41	.25½	Red Lake	11,250	.26	.29	.25½	.29
1	1.67	.81	Reno Gold	43,000	.90	.90	.81	.87
1	.00½	.00½	Ribago	......	.00½	.....	.....	.....
1	.02½	.00½	Ritchie	2,000	.01½	.01½	.01½	.01½
1	.04½	.02	Robb Montbray	457,996	.03½	.09½	.03½	.09½
1	.10½	.04½	Roche Long Lac	11,000	.05½	.05½	.04½	.04½
1	5.20	3.05	San Antonio	7,675	3.20	3.20	3.05	3.15
50c.	1.25	.54	Sheep Creek	500	.98	.85	.85	.85
1	1.00	.45	Sherritt Gordon	32,687	.78	.83	.73	.73
1	3.29	2.49	Siscoe	21,205	2.58	2.66	2.55	2.57
1	4.60	3.30	South Amer. Gold	......	3.80	.....	.....	.....
No	.15	.03	South Tiblemont	60,600	.03	.05	.03	.04½
No	.32	.13½	Stadacona	607,809	.21	.24	.19	.22½
1	.39	.14½	St. Anthony	2,200	.19	.18	.18	.18
No	1.74	1.25	Sudbury Basin	10,720	1.57	1.74	1.55	1.56
1	.11	.05	Sudbury Contact	1,000	.05½	.05½	.05	.05
1	.07½	.03	Sudbury Mines	12,700	.04½	.05	.04½	.05
1	.89	.35	Sullivan Cons.	32,816	.76	.76	.69	.73
1	2.70	2.00	Sylvanite	3,160	2.15	2.33	2.15	2.30
1	.67	.28	Tashota Gold	16,000	.31	.31	.27	.29
1	4.70	3.67	Teck Hughes	7,105	4.05	4.05	3.99	4.00
1	.02½	.00½	Timiskaming	3,000	.01	.01	.00½	.01
1	1.45	1.00	Toburn Gold	1,840	1.02	1.05	1.00	1.04
1	.30½	.10	Towagmac	2,600	.19	.18	.16	.17
1	.30	.10	Treadwell	50	.25	.20	.20	.20
No	.01½	.00½	Vacuum Gas	......	.00½	.....	.....	.....
No	.32	.02	Vanson Man.	1,000	.03	.03	.03	.03
No	1.07	.80	Ventures	29,367	.97	.99	.96	.99
No	.90	.45	Waite Amulet	1,133	.69	.70	.68	.68
50c.	.24½	.07	Wayside	22,700	.11½	.14½	.11½	.14½
No	.10½	.01½	White Eagle	139,100	.01½	.03	.01½	.02½
1	.07	.03	Whitsey Coughlan	2,700	.03	.04	.03	.04
1	.07½	.03½	Wood Kirkland	2,500	.06	.05½	.05½	.05½
No	9.90	7.20	Wright-Hargreaves	5,151	7.34	7.80	7.30	7.65
No	.85	.26	Ymir Yankee	2,100	.31	.31	.31	.31
			OIL STOCKS					
No	.26	.17½	Acme Gas & Oil	5,800	.19	.18½	.18	.18
1	1.06	.50	Ajax	1,803	.51	.51	.50	.51
No	.85	.49	Calgary & Ed.	......	.60	.....	.....	.....
1	.08	.04	Calmont	6,100	.05½	.05	.04½	.04½
No	.05½	.03½	Common Pete	......	.04	.....	.....	...
No	.38	.18	Dalhousie	900	.23	.22	.20	.22
No	.12	.05	East Crest	1,000	.07	.07	.07	.07
No	.21	.04	Erie Gas	4,400	.04½	.11	.04	.11
No	.35	.08	Foothills	......	.30	.....	.....	.....
No	.80	.50	Home	210	.50	.50	.45	.50
1	.14	.05	Homestead O. & G.	......	.05½	.....	.....	.....
No	.13½	.07	Lowery	......	.07½	.....	.....	.....
No	.27	.16	Merland	1,000	.16½	.16	.16	.16
1	.28	.18	Model	700	.21	.23	.22	.22
5	.17	.08	Nordon	9,000	.16	.16½	.13	.13
No	.07	.03½	Oil Selections	6,000	.03½	.04	.03½	.04
No	.06½	.03	Olga Gas & Oil	25,800	.04	.04½	.03½	.03½
1	.65	.40	Petrol Oil & Gas	500	.60	.60	.60	.60
No	27.00	18.00	Royalite	5,229	20.60	20.50	18.00	20.50
No	.12	.04	South West Pete.	......	.04	.....	.....	.....
No	.95	.55	Texas Can.	12,300	.82	.83	.75	.78

VANCOUVER STOCK EXCHANGE

(Transactions for Week to Aug. 28)

Par Val.	Range 1935 High	Low	Company	Sales	Close Aug. 24 (or last)	High for week	Low for week	Close Aug. 28
1	.02½	.01½	Alexandria	......	.00½	.....	.....	.....
No	.16	.00½	Atlin Pacific	1,000	.06½	.06½	.06½	.06½
25c.	.01½	.00½	Bayview	......	.00½	.....	.....	.....
20c.	.10½	.04½	Beaver Silver	2,500	.04½	.04½	.04	.04
25c.	.02½	.01	Bluebird	......	.01	.....	.....	.....
No	12.25	4.40	Bralorne	2,320	4.85	4.90	4.65	4.70
1	.08½	.03	Bridge River Cons.	......	.03	.....	.....	.....
50c	.24	.07½	Bridge River Exp	3,400	.09	.08½	.08	.08
1	.55	.18	B.C. Nickel	8,900	.22	.22	.20	.20
1	1.68	.90	B.C. Silver	400	1.50	1.40	1.40	1.40
10	43.00	43.00	Bunker H. Sullivan	......	43.00	.....	.....	.....
50c	.10	.03	Canadian Rand	......	.03	.....	.....	.....
1	1.50	.95	Cariboo Gold	925	1.05	1.05	1.02	1.02
No	14.00	12.50	Coast Breweries	151	14.00	14.00	14.00	14.00
1	.54	.21	Congress Gold	2,500	.27	.27	.23	.23
1	.09	.03	Cotton Belt	......	.09	.....	.....	.....
25	.00½	.00½	Cork Province	......	.00½	.....	.....	.....
1	.01½	.01	Dalhousie Mines	......	.01	.....	.....	.....
No	.95	.23	Dentonia	10,800	.26½	.27	.23	.24
No	.06½	.01	Dictator	......	.01	.....	.....	.....
1	.17	.03	Dunwell T.	......	.05½	.....	.....	.....
No	.16½	.01	Fairview Amal	2,100	.05	.05	.04	.05
50	.44	.28	Fawn Mining	2,550	.30	.35	.30	.35
1	.13	.05	Federal Gold	500	.07	.07½	.07½	.07½
1	.20	.12	George Copper	......	.16½	.....	.....	.....
50c	.07	.03	George Enterprise	3,600	.05	.05	.04	.05
1	.01	.00½	Georgia River	......	.00½	.....	.....	.....
50c	.06½	.01	Glacier Creek	......	.01	.....	.....	.....
1	.42	.15	Golconda	700	.19	.20	.19	.20
50c	.45½	.24	Gold Belt	3,300	.25	.26	.25	.26
50c	.19	.07	Gold Mountain	4000	.08½	.10	.09½	.10
50c	.04½	.01½	Grandview	500	.02	.02½	.02½	.02½
No	.24	.01½	Grange Mines	6,000	.01½	.01½	.01½	.01½
1	.10	.04½	Grull Wihksne	1,000	.06	.05½	.05½	.05½
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
25	11.50	6.40	Hecla	......	9.85	.....	.....	.....
50c	.26	.18	Hedley Amal	2,500	.19	.19	.19	.19
No	.12	.04	Hedley Sterling	......	.06	.....	.....	.....
1	.02	.01	Hercules Cons.	......	.01	.....	.....	.....
No	.12½	.04	Home Gold	1,400	.04	.04	.03½	.03½
1	.01½	.00½	Independence	......	.00½	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.20	.17	Inter'tl Coal	......	.20	.....	.....	.....
50	1.00	.68	Island Mountain	5,050	1.00	1.05	.98½	1.05
50c	.72	.33	Kootenay Belle	......	.33	.....	.....	.....
25	.01½	.00½	Koot. Florence	......	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	......	.00½	.....	.....	.....
10c	.04½	.02	Lucky Jim	......	.02	.....	.....	.....
No	.41	.07	Mak Siccar	......	.10	.....	.....	.....
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
1	.21	.16	McGillivray Creek	......	.20	.....	.....	.....
10c	.19	.03½	Meridian Min.	1,000	.04	.04½	.04	.04
No	.24½	.06	Minto Mines	14,500	.06½	.06½	.06	.06
50c	.12½	.03½	Morning Star	16,000	.04½	.04	.04	.04
1	.02	.01	Morton Woolsey	......	.01	.....	.....	.....
50c	.06½	.03	National Silver	6,000	.03½	.03½	.03	.03
50c	.17	.05	Nicola	4,200	.09	.09½	.08½	.08½
50c	.16	.05½	Noble Five	13,750	.06	.06½	.05½	.05½
No	.09½	.02½	Pilot Gold	1,000	.02½	.02½	.02½	.02½
1	12.50	9.10	Pioneer Gold	320	9.50	9.90	9.50	9.90
50c	.15	.05½	Porter Idaho	7,500	.06	.06	.05½	.05½
No	.01	.00½	Premier Border	6,000	.00½	.00½	.00½	.00½
1	.02½	.01½	Quatsino Copper	......	.02½	.....	.....	.....
No	.17	.09	Quesnel Quartz	300	.08	.06	.06	.06
No	.18	.01	Reeves McDonald	......	.12	.....	.....	.....
1	.39	.25	Relief Arlington	1,800	.30	.32	.30	.32
1	1.62	.81	Reno Gold	17,100	.94	.97	.88	.90
1	.04½	.02	Reward Mining	......	.02½	.....	.....	.....
1	.01½	.00½	Rufus Argenta	......	.01	.....	.....	.....
1	.05½	.00½	Ruth Hope	......	.00½	.....	.....	.....
1	.62	.18	Sally Mines	700	.25	.25	.24	.24
50c	.18	.11	Salmon Gold	2,900	.10	.10	.09	.09
50	1.18	.55	Sheep Creek	12,800	.88	.91	.85	.86
1	.05	.02	Silverado	......	.02	.....	.....	.....
25c	.02½	.00½	Silvercrest	......	.00½	.....	.....	.....
20c	.12	.01	Silversmith	......	.01½	.....	.....	.....
50c	.01½	.00½	Snowflake	......	.00½	.....	.....	.....
1	.17	.62	Standard Silver	......	.64	.....	.....	.....
10	23.75	11.45	Sunshine	......	22.50	.....	.....	.....
No	.32	.15	Taylor Bridge	1,600	.15½	.15	.15	.15
1	.20½	.12	Taylor Windfall	......	.14	.....	.....	.....
5	.35	.20	Toric	......	.20	.....	.....	.....
50c	.10	.03	United Empire	......	.04	.....	.....	.....
No	.61	.13	Vidette Gold	8,800	.25	.23	.20	.22
No	.06	.01	Viking Gold	......	.01	.....	.....	.....
No	.07½	.02	Waterloo Gold	......	.02	.....	.....	.....
25c	.01½	.00½	Waverley Tangier	500	.00½	.00½	.00½	.00½
50c	.21	.07½	Wayside	4,000	.11½	.13½	.11½	.13½
20c	.04	.01	Wellington	1,000	.01½	.01½	.01½	.01½
No	.09½	.03	White Eagle	......	.03	.....	.....	.....
1	.14	.04	Whitewater	2,000	.06	.05	.05	.05
No	.83	.23	Ymir Yankee Girl	......	.33	.....	.....	.....
			OIL STOCKS					
1	.22	.06½	Amalgamated	500	.08	.08	.08	.08
1	.10½	.05½	Alta Pacific	......	.07	.....	.....	.....
1	.04	.01½	Anaconda	......	.01½	.....	.....	.....
No	.05	.01½	Baltac	......	.02½	.....	.....	.....
1	.07½	....	Brit. Dominion	......	.05	.....	.....	.....
1	.25	.05	Crow's Nest	4,000	.09	.07½	.05	.05
No	.03½	.01	Devenish	......	.01½	.....	.....	.....
No	.11	.04½	Freehold	......	.05	.....	.....	.....
No	.04½	.03	Hargal	......	.03	.....	.....	.....
No	.15	.08½	High Sarcee	1,500	.13	.11½	.11½	.11½
No	.01½	.00½	Madison	......	.00½	.....	.....	.....
No	.17	.07	Marjon Oil	3,500	.11	.10	.09	.10
No	.05	.02	McD. Segur Ex.	......	.03	.....	.....	.....
1	.48	.35	McLeod	100	.39	.38	.38	.38
No	.14½	.09	Mercury	2,000	.11½	.12	.11	.11
No	.14	.07	Mill City Pete	300	.08	.08	.08	.08
No	.06½	.04	Okalta	500	.03½	.03½	.03½	.03½
No	.10½	.02	Pacalta Oil	......	.04	.....	.....	.....
1	1.17	.31	Ranchmen's	1,400	.34	.35	.33	.33
No	.01	.01	Richfield	......	.01	.....	.....	.....
1	.28	.15	Spooner	100	.19	.20	.20	.20
No	.10	.03½	United	500	.04½	.04½	.04½	.04½
No	.14	.04	Vanalta	1,000	.04	.04½	.04½	.04½
1	.05	.04	Wellington Oil	......	.05	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas	2c.	.....	McIntyre	$2	5.33
Anglo Huronian†	40c.	.....	McKinley Sec.	2½c.	.....
Buff. Ankerite	20c.	8.00	Model Oils	3c.	.....
Bulolo Gold‡	1.20	.....	Nipissing	12½c.	.....
Calgary & Ed.	5c.	.....	Noranda	$1	.....
Coast Brew	92c.	6.57	Nor. Canada†	2c.	.....
Coniagas‡	12½c.	.....	Petrol Oil‡	3c.	.....
Cons. Smelters	$1.25	.....	Premier	12c.	7.22
Dome Mines	$2	5.29	Pioneer, B.C.	80c.	8.80
Falconbridge	7½c.	.....	Reno	12+2c.	13.79
Hollinger	65c.+5c.	5.14	Royalite	75c.	.....
Howe Sound	$8	.....	San Antonio	7c.	.....
Howey Gold	3c.	.....	Siscoe	20c.	7.79
Hudson Bay†	50c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke	1c.	.....	Sunshine	30c.	.....
Inter. Mining	15c.	.....	Sylvanite	20c.	8.58
Int. Nickel c	80c.	.....	Teck Hughes	40c.	9.80
Kirk. Lake†	3c.	.....	Toburn	8c.	7.69
Lake Shore	2+50c.	4.11	Wright-Har	40+5c.	5.28
Macassa	5c.	.....			

†Interim. ‡Initial.

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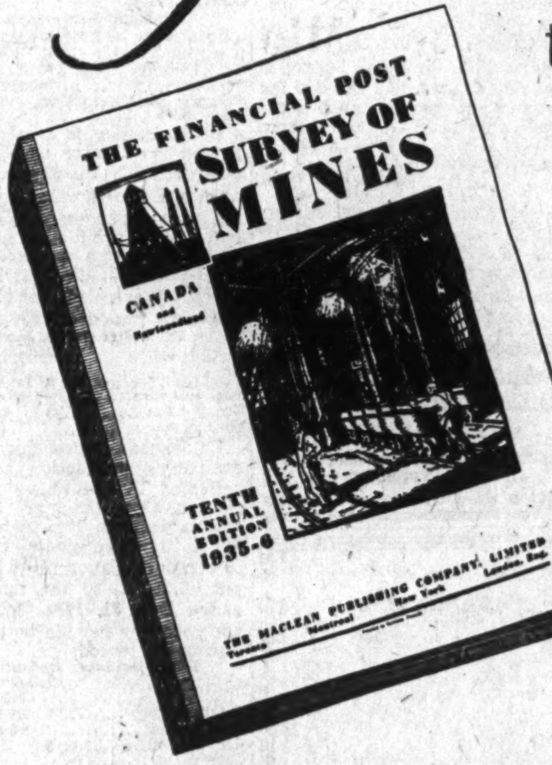
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Bradian Grade Better, Tonnage Up in August

From Our Own Correspondent

VANCOUVER.—A section of the main Ida May ore shoot at Bradian has been opened for stoping and some of the ore is being handled by the mill. Total production at Bralorne in August is expected to be improved considerably because of better grade of millfeed, plus the 50 tons daily being taken in from Bradian. Most of the ore from Bradian in the past has been taken from the stock pile.

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The results have proved attractive to capital—3,632 oz. of gold were produced in 1934, an increase of 2,297 oz. over the previous year—and justify confidence in Nova Scotia's opportunities for further profitable gold mining development.

For information write,
Honourable Michael Dwyer
Minister of Public Works and Mines
Province of Nova Scotia,
Halifax, Canada

GYPSUM TUNGSTEN ANTIMONY DIATOMITE SALT CERAMICS GRANITE

Small Producers Swell Gold Output of Ontario For First Six Months of 1935

Some 44 Companies Report Production to Department

VOLUME RISES

Value Estimated to Be Over $35.8 Million at $35 Per Ounce Gold

With a number of small mines reporting production for the first time a sharp increase is recorded in the number of producing gold mines in Ontario as shown by the report of the Ontario Department of Mines for the first six months of 1935. In all 44 companies reported some production.

Production of Ontario's gold mines in the first six months of the current year, gold being taken at the current market price for the metal, had a value of $35,896,282. This figure includes silver production by gold mines. Gold production from nickel-copper and silver ores had a value of $1,109,821.

Slightly Higher

Gold bullion produced in the period under review was slightly higher than in the first half of 1934, amounting to 1,021,020 ounces as compared with 1,012,421 ounces in the six months ended June 30, 1934. Taken at the standard valuation of $20.67 an ounce, output had a value of $21,229,759 in the first half of the current year as against $20,928,542 in the corresponding period of 1934.

Given below are comparative figures of the larger producers for the first and second quarter of the year. The output of each company is analyzed. Values given in the tabulations are based on gold at the prevailing market price. Companies with only a very small production are not included. These include Gillies Lake Porcupine, McLaren, Naybob, Bidgood-Kirkland, Algoma-Summit, Clark Gold Mines, Dik Dik Exploration, Duport, Halcrow-Swayze, North Shores, Tashota and Vermilion Operating Co.

Anglo-Huronian

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 113,089	98,312
Tons milled	26,833	25,698
Rec. per ton	$ 4.21	3.83
Tons daily	295	286

The decline in the average grade of ore milled and in the quantity of gold produced, which has marked the production figures of this company's Vipond property in recent years, continues. Gold production in the first six months of the current year, at 6,003 ounces, was 2,142 ounces lower than in the first half of 1934. Recovery per ton, gold taken at $20.67 per ounce, declined from $3.32 in the first six months of last year to $2.37 in the first six months of 1935.

Buffalo-Ankerite Tonnage Up

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 240,607	229,935
Tons milled	37,938	33,700
Rec. per ton	$ 6.34	6.82
Tons daily	417	374

While tonnage milled and total recovery were higher in the three months ended June 30 recovery per ton recorded a slight decrease. As a result of increased mill capacity production in the first half of the current year has been considerably higher than in the first half of 1934. Gold production at 13,388 ounces is 32.9 per cent higher. The value of the six months' production, gold taken at $20.67 an ounce, increased from $208,828 in 1934 to $277,506 in 1935.

Coniaurum Recovery Higher

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 294,187	271,411
Tons milled	37,875	36,920
Rec. per ton	$ 7.77	7.35
Tons daily	416	410

Production at this company's property continues to show improvement, with production, mill tonnage and recovery per ton higher in the second quarter than in the first three months. Recovery per ton of $7.77 in the second quarter and $7.35 in the first quarter compares with an average recovery of $7.11 per ton in 1934. Production in the current year should exceed the million dollar mark for the first time.

Pioneer Gold Opens Promising New Vein

From Our Own Correspondent

VANCOUVER.—A. E. Bull, secretary of Pioneer Gold Mines, Ltd., announces that a promising vein two and a half ft. wide has been opened up in the shaft at the 25th level. This is approximately 3,000 ft. deep and if the values are substantial the development will be significant. The new vein dips in the same direction as the main vein but at a sharper angle, indicating that near the surface it may be a considerable distance from the main vein. Dr. H. T. James, general manager, will make a more thorough report when he returns to the mine after a vacation on the coast.

Dome Recovery

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$1,877,854	1,768,583
Tons milled	137,000	136,700
Rec. per ton	$ 13.70	12.93
Tons daily	1,505	1,519

Grade of ore milled by Dome in the second quarter showed improvement over the first three months and as a result production increased by over $100,000. Recovery per ton increased from $12.93 to $13.70. Production in the first six months of 1935 was lower than in the corresponding period of 1934, totalling 103,857 ounces in the former period as compared with 105,823 ounces in the latter period.

Hollinger Production Up

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$3,638,985	3,198,762
Tons milled	449,129	446,800
Rec. per ton	$ 8.10	7.16
Tons daily	4,936	4,964

The above figures are only approximate. First quarter production was given at $2,842,772, after deduction of bullion tax, which was not given. Since the government issues no separate figures for the second quarter but only a six months' total it was necessary to estimate the figures for the two quarters. While production in the second quarter was higher than in the first three months, output for the six month period is slightly lower than in the corresponding period of 1934.

Marbuan Output Improves

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 69,147	59,973
Tons milled	14,149	13,325
Rec. per ton	$ 4.89	4.50
Tons daily	155	148

Production in the second quarter showed improvement over the first three months of the year and the last quarter of 1934. While recovery per ton of ore milled is higher the company is still milling the second lowest grade in the Porcupine camp. In July dropped to $23,500 from $27,300 in June.

McIntyre-Porcupine

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$2,056,275	2,050,576
Tons milled	216,800	214,800
Rec. per ton	$ 9.48	9.55
Tons daily	2,382	2,387

Little change is recorded in the production figures of McIntyre as compared with the first quarter, tonnage and recovery remaining about the same. As compared with the first half of 1934 production was slightly higher, having a standard valuation of $2,423,740 in the first half of the current year as against $2,387,810 in the same period of 1934.

Paymaster Output Increases

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 141,639	98,959
Tons milled	18,607	13,412
Rec. per ton	$ 7.61	7.38
Tons daily	204	149

Continued improvement in this company's production activities is reflected in the above production figures. Operations are now on a profitable basis. Production of $141,639 in the three months ended June 30 compares favorably with an output of $69,522 in the three months ended Dec. 31, 1934. Mill tonnage and recovery per ton both increased during the period.

Barry-Hollinger Output Lower

	2nd Quar. 1935	1st Quar 1935
Total recovery	$ 44,160	46,392
Tons milled	8,649	7,647
Rec. per ton	$ 5.11	6.07
Tons daily	95	85

While production at this company's property in the Boston Creek area continues at slightly higher level than in 1934 operations cannot be said to be satisfactory. During the second quarter, output was higher as a result of an increase in the amount of ore milled. At the same time, however, recovery per ton dropped. At the present rate of production it is impossible for a profit to be made.

Kirkland Lake Gold Mines

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 189,445	191,670
Tons milled	17,485	16,679
Rec. per ton	$ 10.83	11.49
Tons daily	192	185

Indications are that this company's production in 1935 will be slightly higher than in 1934. During the first two quarters output remained comparatively steady at about $190,000. In the second quarter, tonnage was slightly higher and recovery per ton lower. Production in the first half of the year of $225,043, gold taken at $20.67, compares with $186,538 in the first half of 1934.

Lake Shore

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$4,120,709	3,968,373
Tons milled	207,484	205,502
Rec. per ton	$ 19.86	19.31
Tons daily	2,280	2,283

While production in the second quarter was higher than in the first three months, output for the six months ended June 30 last was lower than in the corresponding period of 1934. Gold output in the first half of 1935 totalled 229,873 ounces as against 241,721 ounces in the first six months of 1934. Tonnage milled was about 3,000 tons lower.

Macassa Recovery Better

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 242,501	233,492
Tons milled	16,572	16,500
Rec. per ton	$ 14.63	14.15
Tons daily	182	183

While Macassa's output in the second quarter was slightly higher than in the first quarter, production is currently running at a lower level than in 1934. During the first six months gold output totalled 16,589 ounces as compared with 13,982 ounces in the first half of 1934. While recovery per ton showed a slight increase in the second quarter it is still below the average of $16.70 for the whole of 1934.

Moffat-Hall Grade Declines

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 30,184	48,218
Tons milled	4,069	4,188
Rec. per ton	$ 7.42	11.51
Tons daily	44	47

Recovery per ton in the second quarter registered a sharp drop to $7.42 as compared with $10.42 in 1934. Tonnage of ore milled remains comparatively steady.

Sylvanite Ore Improves

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 497,167	421,686
Tons milled	37,900	37,177
Rec. per ton	$ 13.12	11.34
Tons daily	416	413

With production in the first half of 1935 slightly higher than in the first half of 1934 Sylvanite appears to be on the road to another record year. Revenue from production in the second quarter was $76,000 higher than in the first three months. Recovery per ton at $13.12 is higher than in the first quarter but lower than the average of $15.67 for 1934. At the same time tonnage milled shows a slight increase.

Teck-Hughes Tonnage Up

	6 mos. ended June 30 1935
Total recovery	$2,391,633
Tons milled	201,742
Rec. per ton	$ 11.85
Tons daily	1,114

Since first quarter figures were given after deduction of bullion tax, which is not given, it is impossible to give correct comparative figures for the two quarters. Production in the half year, however, was lower than in the corresponding period of 1934, totalling 67,958 ounces as against 87,107 ounces in the first half of 1934. Mill tonnage in the first half of 1934 was 235,300 tons.

Toburn Production Steady

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 164,362	169,554
Tons milled	8,820	8,720
Rec. per ton	$ 18.63	19.44
Tons daily	97	97

Toburn maintains a steady rate of production, daily mill tonnage during the second quarter remaining at the same figure as in the first three months and value of production being about $5,000 lower. Recovery per ton at $18.63 indicates that grade of ore being handled is slightly lower than in 1934 when the average was $19.51.

Wright-Hargreaves

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$1,882,539	1,737,209
Tons milled	87,121	86,570
Rec. per ton	$ 21.61	20.07
Tons daily	957	962

Production in the first half of the current year was lower than in the six months ended June 30, 1934, amounting to 102,835 ounces as against 113,980 ounces. In the second quarter of the current year output had a higher value than in the first three months and at the same time grade of ore improved.

Ashley Output Declines Further

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 97,862	111,008
Tons milled	11,201	11,484
Rec. per ton	$ 8.74	9.67
Tons daily	123	128

Tonnage milled and recovery per ton declined in the second quarter with the result that revenue from production is over $13,000 lower than in the first three months. Production has shown a steady decline since the quarter ended Sept. 30, 1934. In the first half of the current year gold production totalled 5,936 ounces as compared with 6,472 ounces in the first six months of 1934.

Matachewan Cons. Operations Improve

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 92,252	60,023
Tons milled	12,599	9,646
Rec. per ton	$ 7.32	6.22
Tons daily	138	107

Brought into production late last year, this company's output has shown steady improvement, value of production being 53.7 per cent higher in the second quarter than in the first three months. Recovery per ton was $1.10 higher at $7.32. Mill tonnage was also sharply higher. Recovery per ton is currently running at about the estimated mine average.

Young-Davidson Grade Low

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 157,600	128,941
Tons milled	53,536	45,661
Rec. per ton	$ 2.94	2.59
Tons daily	588	507

The grade of ore at Young-Davidson, Ontario's second lowest grade producer, showed slight improvement in the second quarter and at the same time mill tonnage was stepped up from 507 to 588 tons per day. Revenue from production of $157,600 compares with $134,511 in the last quarter of 1934.

Central Patricia Output Higher

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 190,151	100,770
Tons milled	9,134	4,408
Rec. per ton	$ 20.82	22.86
Tons daily	100	49

As a result of the stepping-up of mill tonnage from 50 to 100 tons daily in April, production in the second quarter is $90,000 higher than in the first three months. Coincident with increasing tonnage the company reduced the grade of ore slightly, recovery per ton in the three months ended June 30 being $20.82 as against $22.86 in the three months ended March 31.

Howey's Recovery Drops

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 319,715	375,395
Tons milled	123,166	122,008
Rec. per ton	$ 2.59	3.08
Tons daily	1,353	1,356

As a result of a reduction of 50 cents per ton in grade of ore milled, Howey's production dropped over $20,000 in the second quarter as compared with the first three months of the year. Milling rate remained steady, only a variation of three tons per day being recorded. Gold production of 19,881 ounces in the first half of 1935 compares with 25,720 ounces in the first half of 1934.

Little Long Lac Maintains Output

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 247,533	246,342
Tons milled	14,470	13,812
Rec. per ton	$ 17.11	17.84
Tons daily	159	153

Little Long Lac is maintaining a steady rate of production, with tonnage milled and grade of ore on a satisfactory basis. The company plans to keep production at the present rate, which is about $82,500 per month. Profits continue excellent.

Minto Increases Output

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 56,419	36,824
Tons milled	8,860	8,902
Rec. per ton	$ 6.37	4.13
Tons daily	97	99

This private operation in the Michipicoten area continues to give a good account of itself and in the second quarter of the year bullion production increased $20,000 as a result of improvement in the grade of ore being handled. The mill treated 97 tons per day during the second quarter and it was recently reported that mill tonnage had been stepped up to 105 tons daily.

Northern Empire Grade Jumps

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 168,324	80,620
Tons milled	11,483	9,559
Rec. per ton	$ 14.66	8.43
Tons daily	126	106

Production of Northern Empire Gold Mines in the second quarter of 1934 was more than double the figure for the first three months of the year as a result of an increase in the grade and amount of ore being handled. Gold production of 7,076 ounces in the six months ended June 30 last, compares with 1,318 ounces for the first half of 1934.

McKenzie Red Lake

	1935 to June 30
Total recovery	$ 149,014
Tons milled	10,424
Rec. per ton	$ 14.30

Brought into production in February of this year, this company is giving a good account of itself and up to June 30 had produced $149,014. This was obtained from 10,424 tons of ore milled which yields an average recovery per ton of $14.30. Since the above figures represent the initial production figures, recovery per ton is slightly lower than may ordinarily be expected. Mill tonnage is also currently higher than in the early months of production.

McMillan's Recovery Improves

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 89,854	65,265
Tons milled	10,197	7,564
Rec. per ton	$ 8.81	8.63
Tons daily	112	84

Improvement in operations is reflected in this company's production figures for the second quarter, bullion revenue, mill tonnage and recovery per ton all being higher than in the first three months of the year. Recovery per ton of $8.81 in the three months ended June 30 is $3.31 per ton higher than for the three months ended Dec. 31, 1934.

Parkhill Tonnage Higher

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 91,704	68,977
Tons milled	5,798	4,567
Rec. per ton	$ 15.82	15.10
Tons daily	64	51

Operations at this company's property in the second quarter were on a more satisfactory basis than in the first three months of the year. Mill tonnage and production both recorded improvement, the mill handling an average of 64 tons of ore per day during the quarter to yield bullion valued at $91,704. Production in the first six months of the year was slightly higher than in the corresponding period of 1934.

Pickle Crow's First Quarter

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 145,000	......
Tons milled	7,876	......
Rec. per ton	$ 18.42	......

Excellent results have been obtained at this company's property since the mill was brought into production in April of this year, recovery to the end of June totalling $145,000. While recovery per ton was $18.42 the average over a longer period will be higher. During the month of July, recovery per ton was $22.76.

St. Anthony's Operations Improve

	2nd Quar. 1935	1st Quar. 1935
Total recovery	$ 73,467	58,379
Tons milled	10,191	9,100
Rec. per ton	$ 7.21	6.41
Tons daily	112	101

Production of St. Anthony Gold Mines showed marked improvement in the second quarter of the year, increasing from $58,379 in the first quarter to $73,467. Mill tonnage and recovery per ton both increased. Production of $131,846 in the first half of the year compares with an output of approximately $116,000 in the six months ended Dec. 31, 1934.

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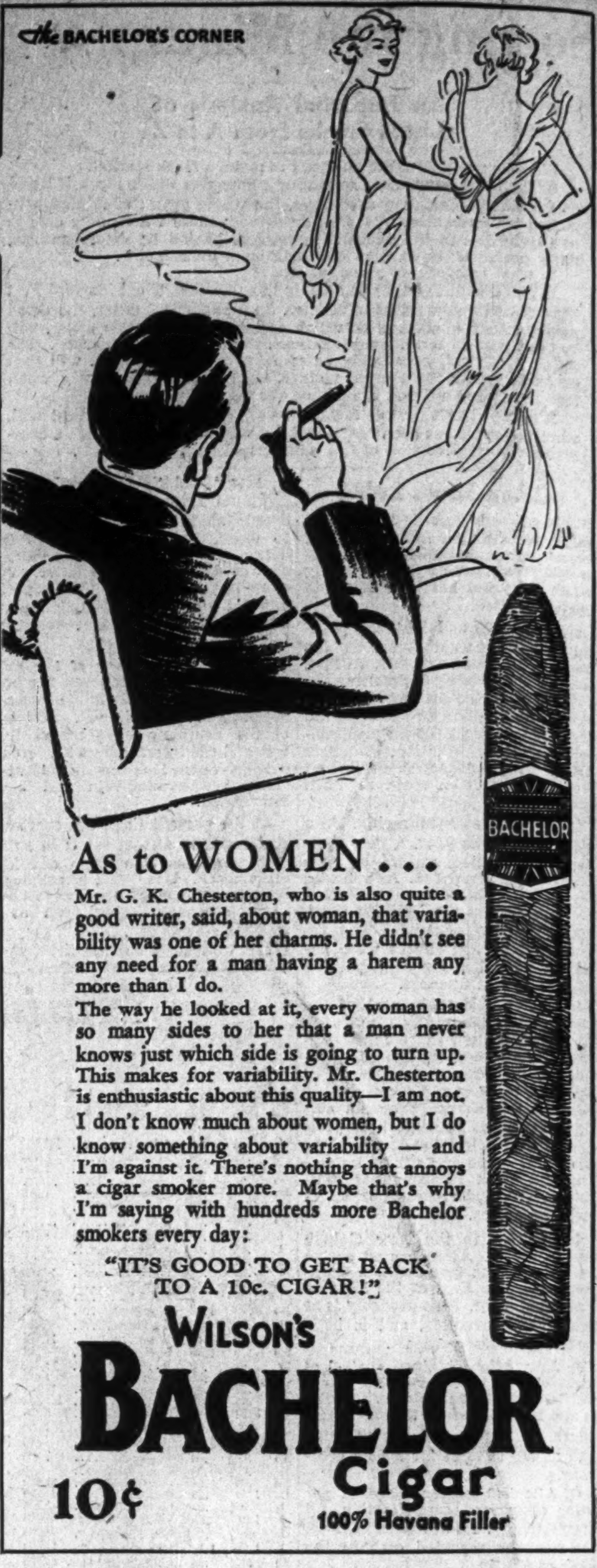

The BACHELOR'S CORNER

As to WOMEN . . .

Mr. G. K. Chesterton, who is also quite a good writer, said, about woman, that variability was one of her charms. He didn't see any need for a man having a harem any more than I do.

The way he looked at it, every woman has so many sides to her that a man never knows just which side is going to turn up. This makes for variability. Mr. Chesterton is enthusiastic about this quality—I am not. I don't know much about women, but I do know something about variability — and I'm against it. There's nothing that annoys a cigar smoker more. Maybe that's why I'm saying with hundreds more Bachelor smokers every day:

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